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FBIS-LAT-89-151 *8 August 1989*

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Further on Central American Presidential Summit

Finalizing Documents

PA0708131289 Paris AFP in Spanish 1026 GMT 7 Aug 89

[Text] Tela, Honduras, 7 Aug (AFP)—The Central American presidents were "finalizing" the details of demobilizing the Nicaraguan contras and promoting a dialogue in El Salvador before suspending its 2d day of meetings early on Monday morning, 7 August.

At the end of a marathon session, which ended at 0315 (1015 GMT), Nicaraguan President Daniel Ortega said: "We are making progress toward drafting and finalizing the documents dealing with the demobilization of the contras, the situation in El Salvador, and the suit filed by Nicaragua against Honduras before the International Court of Justice at The Hague."

Salvadoran President Alfredo Cristiani asserted: "There is no agreement, although everything indicates that we are heading in the right direction."

Despite the sparse statements issued by the presidents—who will resume their meeting at 1000 [1600 GMT] on 7 August—AFP was informed that "after overcoming some obstacles, the presidents agreed on the basis of the document and only the finishing touches on the final draft are needed."

The source told AFP that there is a consensus to begin the demobilization of the 13,000 contras located in Honduras "once the UN and OAS secretaries general create the International Support and Verification Commission [Comision Internacional de Apoyo y Verificacion] (CIAV). [quotation marks as received]

The source added that the presidents established a maximum period of 30 days from the signing of this summit's document to begin the demobilization plan. The source said that according to the negotiations, Nicaragua has pledged "to suspend" the suit against Honduras, in which it charges Honduras with lending its territory to the contra rebels, and it has pledged "to withdraw" the suit once [passage indistinct] statement also includes promoting a dialogue in El Salvador [passage indistinct] when it is expected to conclude [words indistinct].

Honduras' Lopez on Demobilization

PA0708141389 Tegucigalpa Radio America in Spanish 1244 GMT 7 Aug 89

[Interview with Honduran Foreign Minister Carlos Lopez Contreras by unidentified reporter in Tela City, Honduras; date not given—recorded]

[Text] [Lopez] I have been attending various meetings, and for that reason I am unaware of the content of the discussions. I have only received rough details on the discussions. However, in view of the discretion that must characterize all Honduran officials—especially since we are hosting this summit—I would avoid making any statements on what has been discussed.

[Reporter] Mr Foreign Minister, can you please explain something to us? There are talks about an involuntary demobilization. This is in fact a compulsory demobilization. President Ortega is in fact saying that the contra demobilization is a compulsory issue for the Honduran Government. However, the relocation and everything related to contras' decision to come to Honduras is actually left to the contras' free will. How do you interpret all this? Is Honduras truly accepting all that?
[Lopez] This is not really a matter of interpretation or acceptance. The truth is that there is a clearly defined concept, of which the public and the press have been kept well informed. The communique, the joint statement issued in Costa del Sol, El Salvador, is blunt and forceful. It talks about a voluntary demobilization, repatriation, and reintegration [reintegracion] into Nicaraguan society.

[Reporter] Mr Foreign Minister, according to your statements tonight, is the demobilization then a voluntary issue for Honduras?
[Lopez] [Words indistinct] for Honduras. That document [the Costa Del Sol statement] was signed by the five Central American presidents...

[Reporter] No, I am asking your view on this...
[Lopez, interrupting] I do not know about that.

[Reporter] No, Mr Foreign Minister I am talking about the Honduran position on this. Nicaragua is saying this [the demobilization] is something absolutely binding. President Ortega even said this is an action that must be conducted by the Honduran Armed Forces and the Honduran Government itself. How would you view the situation if Nicaragua sends this message to the Honduran Government individually and not in a collective manner including the rest of the Central American countries as you [words indistinct]?
[Lopez] That is absolutely unacceptable. That is different from what was agreed upon in Costa del Sol by the five Central American presidents. They reached a written agreement in Costa del Sol and that agreement is known by all of you and the Honduran people.

[Reporter] I have another phone call from Tegucigalpa, Mr Foreign Minister. I have Mr Amador [Radio America reporter in Tegucigalpa]. Go ahead Mr Amador, Foreign Minister Lopez Contreras is listening to you.

[Amador] Mr Foreign Minister, could we talk at this stage of a certain deadlock in the summit because of the opposing positions of the Honduran and Nicaraguan delegations? Go ahead, Tela.
[Lopez] There is no deadlock caused by the difference of opinions between Nicaragua and Honduras. There is simply a very complex situation. Discussions are simply

developing at a very slow pace, because each of the parties involved is acting carefully. They are firmly and clearly defending their individual viewpoints and interests. That makes progress very difficult. That is all I can tell you.

[Reporter] Can clarity [words indistinct] Honduras? Can candor damage Honduras?
[Lopez] No, candor does not harm Honduras.

[Reporter] Thank you very much.

Contras Search for Support

PA0708144689 Panama City ACAN in Spanish 1739 GMT 6 Aug 89

[Text] Tela, Honduras, 6 Aug (ACAN-EFE)—The Nicaraguan "contras" are today desperately searching in Tela, Honduras, for the political support of the Central American presidents so that they will not approve the plan calling for the demobilization of their fighters stationed in eastern Honduras.

Several members of the Nicaraguan Resistance (RN), including Alfredo Sandino Camacho of the Human Rights Commission, have arrived here with a document in which they ask the regional leaders to "reaffirm the rights of the Nicaraguan people to freedom and democracy."

Camacho, who was able to enter the hotel in which the presidents are meeting, told the press that the levels of repression increased in Nicaragua after the fourth presidential summit held last February in El Salvador.

A few minutes before Camacho announced that he had a document for the presidents, the Nicaraguan leader, Daniel Ortega, told newsmen that there is a "consensus" in the summit for the demobilization of the "contras."

There are approximately 13,000 "contras" supported by the United States who have been operating in the eastern part of Honduras since 1981.

In the document that the "contras" want to deliver to the presidents there is an extensive list of the "violations" of human rights by the Sandinists, and a list of 6,000 Nicaraguans who, according to the RN, are imprisoned in Nicaragua.

Foreign Ministers Confer

PA0708161289 Hamburg DPA in Spanish 1619 GMT 7 Aug 89

[Text] The Honduran and Nicaraguan foreign ministers continued to seek a way out of the impasse in the negotiations of the Central American presidents to draft a demobilization plan, which affects more than 12,000 contras who remain in Honduran territory.

A few hours before the end of the 3-day Central American presidential summit being held in the port city of Tela, 100 km north of Tegucigalpa, the meeting was suspended to allow negotiations at the foreign ministerial level, at the same time the demands of the Honduran and Nicaraguan presidents are being considered separately.

Honduran President Jose Azcona Hoyo demanded the suspension of the lawsuit before the International Court of Justice at The Hague, which Nicaragua began 3 years ago against Honduras, accusing it of "lending its territory to attack the Nicaraguan nation."

Meanwhile, Nicaraguan President Daniel Ortega demanded the immediate demobilization of the contras, while officials accompanying him said that the Nicaraguan Government would be willing to grant an amnesty to release 39 former Somozist guardsmen and more than 1,800 contras imprisoned in Nicaragua.

In statements made this morning Ortega stated that "the demobilization of the contras is an obligation of the Honduran Government" and that the Nicaraguan lawsuit against Honduras at The Hague is a right in view of the aggressions that that country has suffered.

Presidents Jose Azcona of Honduras, Vinicio Cerezo of Guatemala, Oscar Arias of Costa Rica, Daniel Ortega of Nicaragua, and Alfredo Cristiani of El Salvador, must resume negotiations at 1000, following a 6-hour recess, to enter the final stage of the meeting that will define the agreements.

Nicaraguan Major General Joaquin Cuadra Lacayo, second military commander of the country, said that the meetings have involved many discussions, but he believes that the "Esquipulas" agreements will be finally implemented.

The Honduran radio station "HRN" [La Voz de Honduras] reported this morning that Guatemalan President Vinicio Cerezo invited his colleagues Oscar Arias and Alfredo Cristiani to spend a 3-day vacation on Roatan Island located in the Honduran Caribbean region.

According to the Central American summit plan, the presidential meeting will adjourn at 1100, but it is taken for granted that the program will not be followed due to a lack of agreement.

Enrique Ortez Colindres, Honduran President Jose Azcona's adviser, said this morning that the Central American presidents share views on the agreement, but that details to be discussed in the coming hours are pending.

Regarding the call for the dialogue in El Salvador, thus far it is known that the foreign ministers have a draft plan for the talks, but the details have not been released.

Although the summit agenda initially had nine discussion points, those concerning the demobilization of the contras and dialogue between the Salvadoran Government and guerrillas are of the most interest.

Situation Called 'Complex'

PA0708173989 Tegucigalpa Radio America in Spanish 1627 GMT 7 Aug 89

[Live relay from Tela, Honduras, by unidentified reporter]

[Text] There is uncertainty about whether there will be a closing ceremony or not as time goes by and no resolution has been issued. One topic under discussion is where the next Central American presidents summit will take place. Nicaragua and Costa Rica have been proposed. Of those two countries, it is possible that Nicaragua will host the next meeting of area presidents to discuss ways to achieve peace.

The situation is still as complex as it was last night. There are diametrically opposed positions; Nicaragua and El Salvador are now discussing the subject of the FMLN [Farabundo Marti National Liberation Front] in an attempt to find a solution to this situation [6-second break in reception] will know with certainty if Honduras accepts deadlines or dates for the contra demobilization. From the beginning, Honduras has maintained its position of not accepting deadlines and has consistently expressed its willingess to demobilize the Nicaraguan rebels.

The Central American presidents were not receptive to the Nicaraguan contras at the Tela summit. The rebels were not even allowed to enter the Villas Telamar Hotel complex to express their latest views to the presidents. They had to convey their ideas through Costa Rican Foreign Minister Rodrigo Madrigal Nieto [2-second break in reception]. The contras' position is important, taking into consideration that, according to Nicaragua's interpretation, the Central American presidents are trying to protect the anti-Sandinist rebels to a certain extent by not accepting a timetable for their demobilization. This could be interpreted as an attempt to prolong the presence of the Nicaraguan rebels in Honduran territory.

Ortega on U.S. Position

PA0708175689 Tegucigalpa Radio America in Spanish 1646 GMT 7 Aug 89

[News conference with Nicaraguan President Daniel Ortega by unidentified reporters in Tela, Honduras—live]

[Text] [Reporter] What is the prevailing atmosphere now?

[Ortega] I think that all of the presidents are hoping that an agreement will be reached. We have been seriously working on that agreement so that a final agreement can be issued. We have prepared documents on which, I would say, there is a certain consensus—such as on the document on the [word indistinct] of the contras, the document on the Honduran-Nicaraguan agreement concerning the suit Nicaragua has filed before the International Court of Justice, the Salvadoran issue, and other points.

I think there is a political resolve on the part of the Central American presidents to make sure that something positive emerges from this summit. I am sure that the U.S. Government is hoping that nothing will result from this summit. I would not be surprised if the U.S. Government is currently exerting strong pressure so that nothing will come from this summit.

[Reporter] Mr President: What are the procedures for Nicaragua's withdrawal of its suit against Honduras?

[Ortega] This has to be linked to complete compliance with the plan for the contra withdrawal.

[Reporter] In other words, the contras must first leave?

[Ortega] Of course. That is our insurance.

[Reporter] Mr President, has Honduras agreed to this?

[Ortega] We are exchanging viewpoints on this.

[Reporter] The suit represents an insurance for you, Commander? Which groups has the United States been pressuring?

[Ortega] The Central American groups. There have been direct and indirect contacts. The United States has contacted the Central American delegations in hopes that no agreement will be reached. The Americans continue to favor the presence of the contras. The fact that President Bush met with contra leaders on the eve of this Central American presidents summit is a slap in the face to this meeting.

[Reporter] When you mention these pressures, Mr President, to which countries are you referring?

[Ortega] All of them, with the exception of Nicaragua. I have no doubt that right now the United States is exerting pressure, because it wants to kill this summit just when we are about to reach an agreement. If no agreement is reached at this summit, the United States will be responsible for that. [Words indistinct] because we Central American countries have sufficient authority and sufficient self-determination and independence to decide our own actions.

[Reporter] At this stage, how would you describe the presidents summit? Is this summit a failure or a success?

[Ortega] I think it has to be a success, even if the United States has not given up trying to make it fail. This is the time, and I am sure that it is trying [words indistinct].

Arias on Summit Progress

PA0708193489 Tegucigalpa Radio America in Spanish 1815 GMT 7 Aug 89

[News conference by Costa Rican President Oscar Arias Sanchez in Tela, Honduras, with unidentified reporters—live]

[Text] [Arias] I am very happy, very optimistic, and I am sure that we will reach significant and historic agreements that will allow Central America to move a step forward toward peace, democracy, liberty, and [words indistinct]. I have a different attitude than yours. I have always been very optimistic and a firm believer that Central America cannot continue along a path that runs counter to history. The path the world is following today is a path that leads to more democracy and freedom, [words indistinct] that democracy and freedom. I believe that Central America will not be an exception to this destiny [words indistinct].

[Reporter] [Words indistinct]
[Arias] What did you say?

[Reporter] [Words indistinct] before the end of the summit?
[Arias] I believe that my obligation is to remain here to the end. I will see you later, at the end of the meeting, to discuss my viewpoints with you once we have reached an agreement.

[Reporter] Can you tell us approximately when that will be?
[Arias] I was asked that same question yesterday. Newsmen asked if yesterday's session would end at approximately 0400 or at 0700. I told them [words indistinct] much later. We ended the session at 0400. Please do not make me guess on what will happen; I could be wrong.

[Reporter] Is Nicaragua [words indistinct] the Salvadoran position?

[Reporter, interrupting, in English] What will President Bush do when he [words indistinct] to [words indistinct] the peace process alone?

[Reporter, interrupting] [Words indistinct] to avoid U.S. meddling?
[Arias] What did you say?

[Reporter] What will you do to avoid U.S. meddling?
[Arias] Well, a long time ago, we—the Central American presidents—took Central America's destiny into our own hands. Although the two superpowers may have some interest in things going one way or another, the five presidents have an historic responsibility to 28 million Central Americans. That is the important point. This is what we have [words indistinct], which is what I expect Central Americans to attain.

[Reporter] [Words indistinct]
[Arias, in English] We are going to hold a Central American meeting; it will be a meeting of the heads of state and heads of governments [words indistinct].

[Reporter, in English] Is the demobilization of the rebels, for example, something we can [words indistinct].
[Arias, in English] Well, President Bush [words indistinct]. I think we have all agreed. [2-minute break in reception followed by Arias continuing, in Spanish] Well, I see you are better informed than I. Last night we talked about setting a 1-month deadline to establish a verification commission. We set a 90-day deadline for the Sandinist government to hold a meeting with the verification commission and the Nicaraguan Resistance [RN] and to persuade the RN to return to Nicaragua.

We are referring to a voluntary repatriation, which will require great political incentives for these people to return to their country. If all opportunities are not available for these people to join the political and electoral processes, it will be very difficult to persuade them to return to their homeland. However, this would be desirable. Therefore, the ball is currently in their court. I believe that the greater the democratic opening allowed by the Sandinist Government, the greater the encouragement and the incentives these fighers will have to return to their country and to rejoin Nicaraguan political life.

[Reporter] Mr President, what about the Salvadoran proposal?

[Announcer] Radio America audience, this is the end of the interview with Costa Rican President Oscar Arias Sanchez.

Nicaragua's Cuadra on Talks

PA0708202389 Tegucigalpa Radio America in Spanish 1658 GMT 7 Aug 89

[News conference by Major General Joaquin Cuadra Lacayo, Nicaraguan vice defense minister, with unidentified reporters in Tela, Honduras—live]

[Text] [Cuadra] [Words indistinct] the last phase of the Central American presidents summit. Documents are almost ready, and the presidents are drafting the final documents. In general, we can say that this meeting has been very similar to previous ones, which have been characterized by negotiating efforts, great flexibility, and much [word indistinct] on the part of the Central American presidents, who are aware of the great responsibility they have and that the Central Americans peoples demand peace. We believe that in the next few hours, the Central American presidents will announce to the Central American people and to the world the agreements they have reached.

[Reporter] Do you agree with the counterproposal presented by El Salvador?

[Cuadra] The latest versions of the documents are being reviewed right now. Each side contributed the points it deemed necessary. The main purpose of the summit was to seek solutions to problems affecting the area and to give continuity to the Esquipulas agreements. This meeting was not to come up with completely new ideas; it was a continuation of previous meetings.

[Reporter] General, can you tell us if there are any dates for a demobilization plan? Can you clarify this for us? Are there any dates? Is there a timetable to demobilize the contras? Has Nicaragua proposed a timetable? Has Honduras accepted it? Can you clarify this?
[Cuadra] Nicaragua's proposal was basically drafted with the deputy foreign ministers during their meeting in Guatemala. What we have done now has been to discuss the final details based on the original document approved by the deputy foreign ministers. In addition, specific dates have been set for a timetable for the demobilization of the contras.

[Reporter] What are those dates, General?
[Cuadra] The dates will be disclosed in the final document, to be issued by the presidents within the next few hours.

[Reporter] Have Honduras and Nicaragua reached any specific agreements regarding the contra demobilization?
[Cuadra] All presidents have reached an agreement on the contra demobilization problem. There are fundamental agreements on how to handle the problem of Nicaragua's charges against Honduras at the International Court of Justice [ICJ]. We understand that the final details of basic agreements are being discussed in a highly positive spirit, following many hours of work yesterday, which continued until the early hours today.

[Reporter] What are the agreements concerning the ICJ suit?
[Cuadra] Basically that once Nicaragua's demand for the total demobilization of the contras from Honduran territory is met and the dismantling of contra camps in Honduras has been completed—and this is confirmed by international organizations—Nicaragua will withdraw the charges it filed against Honduras at the ICJ.

[Reporter] A few minutes ago, in a statement for Honduran radio stations, the Honduran Government minister referred to the demobilization using the term voluntary demobilization. According to him, Nicaraguan political leaders will have to come to Honduras to convince the contras that they must leave Honduras. Can you explain what the term demobilization means, how it will be implemented, what the deadlines are, and what the OAS and the United Nations will do?
[Cuadra] It must be clear that Nicaragua's position has always been that the letter and spirit of the document for the contra demobilization calls for their demobilization and voluntary repatriation or relocation [la desmobilizacion y la repatriacion o reubicacion de la contra de manera voluntaria]. However, the dismantling of the contras cannot be a voluntary process. It must result from a decision made by the Central American presidents, which no one, not even the contras, can alter. Where will the contras go? They can go to Canada, to the United States, or remain in Honduras. That is what is voluntary. The contras cannot be forced to return to Nicaragua.

The voluntary aspect is the contras' final destination. They will freely choose their final destination once they have surrendered their weapons and dismantled their camps.

[Reporter] Maj General, as the Nicaraguan vice defense minister, can you tell us what Nicaragua can do in case some contras refuse to leave Honduras or if some decide to continue the fight inside Nicaragua?
[Cuadra] Those who refuse to leave Honduras will be Honduras' problem. To date, the contras have been a Honduran problem [words indistinct] fighting. Those who want to come fight in Nicaragua will be Nicaragua's problem. We are ready and prepared to fight and to exterminate them. The war in Nicaragua has not yet ended. The contras, who are in Nicaragua, are not inactive. They have been conducting offensive military activities. The aggression against Nicaragua has continued following the signing of the Costa del Sol Agreement. The contras have continued entering and leaving their camps in Honduras. The contras in Nicaragua are Nicaragua's problem. They are the responsibility of the Nicaraguan Government, Armed Forces, and people. It is our responsibility to fight and defeat them. The contras who stay in Honduras are a problem for the Honduran Government. Nicaragua has no role in this regard in Honduras.

[Reporter] Will the presence of military forces, the issue of the advisers, and the military maneuvers in Honduras be discussed in subsequent meetings? What has been said about that?
[Cuadra] Those points were not discussed at this [word indistinct], but they will be discussed at subsequent meetings. The issue of a reasonable level of forces in Central America will be discussed some other time. The problem right now is not that. The problem now is the demobilization of the contras, the end of the war of aggression against Nicaragua, the disappearance of the problem between Honduras and Nicaragua—which is caused by the presence of contra camps in Honduras—and the end of the quarrel between Honduras and Nicaragua. Those are the problems that the presidents are trying to solve right now; the problem is not the level of armament in Central America and the advisers participating in military maneuvers. Those issues will be discussed some other time. Nicaragua is prepared to attend a meeting to discuss those issues at any time.

[Reporter] Maj Gen, the situation changes here by the day. What is the U.S. Administration's current attitude toward the discussions held here in Tela, Honduras?

[Cuadra] At this very moment, the U.S. Administration continues to exert efforts to pressure the Central American presidents. That pressure is to prevent the presidents from agreeing on a timetable for the contra demobilization. The U.S. Administration wants the contra demobilization plan to be left pending and without a timetable so that the United States will succeed in demobilizing the contras only after the February 1990 Nicaraguan elections. At this time, the United States continues to exert strong pressure. We know that the U.S. Government also exerted pressure during the previous Central American summits, but Central American resolve prevailed on those occasions. There has always been pressure from the United States. There will continue to be U.S. pressure at upcoming meetings to block any efforts that would culminate in Central American peace. We, however, are convinced and trust that Central American interests and resolve will prevail at those meetings as well.

[Reporter] [Words indistinct] what are those pressures to which you refer? Is that pressure channeled through the Salvadoran and Honduran presidents or are there any other more indirect channels through which to put pressure on the Central American peace process?
[Cuadra] Well, there are various ways to exert pressure. There is direct as well as indirect pressure. Pressure can be exerted in many ways.

[Reporter] Can we infer that the Salvadoran determination to draw a direct correlation between the FMLN [Farabundo Marti National Liberation Front] and the counterrevolutionary movement is one form of pressure to which you refer?
[Cuadra] El Salvador has virtually given up the idea of raising that absurd comparison between the contra demobilization and that of the Salvadoran guerrillas.

At this point, the purpose of the summit is to make a serious call for a political dialogue and negotiations in El Salvador that lead to total and lasting peace in that country. Like the Nicaraguan process, the Salvadoran process will go through various stages of discussion, dialogue, and political agreement until the armed groups are reintegrated into society.

[Reporter] Nicaragua says it will not withdraw its suit at the ICJ until the last contra leaves this country. Are there are any other conditions?
[Cuadra] We will not withdraw our suit until the last contra leaves and the last camp in Honduran territory is dismantled and until these actions are certified by the International Verification Commission.

[Reporter] Will the the Honduran and Nicaraguan Armed Forces chiefs of staff (?hold a separate meeting)? Have there been some changes, some coordination work [words indistinct]?
[Cuadra] We have been working, each with his respective delegation, to support his respective president. In this meeting, we—Nicaragua and Honduras—have had the opportunity to strengthen ties. We have held talks, and we have established fluid channels of communications. We trust that by using these channels, we will improve relations between the armed forces of the two countries. We also discussed some specific issues that are pending between Honduras and Nicaragua, such as the Nicaraguan Air Force helicopter that is be held here in Honduras.

[Reporter] What did you say about that?
[Cuadra] We talked about the Honduran Armed Forces' willingness to allow Nicaragua to send Nicaraguan Air Force technicians and pilots sometime soon to take back the Nicaraguan Air Force helicopter. We do not have a specific date for that yet, but this will take place shortly. We also discussed the problem of Nicaragua holding a fishing boat captured in Nicaraguan territorial waters for illegal fishing. It has been detained in Nicaragua for several months, and Nicaragua and the Armed Forces will strive to resolve this problem quickly.

[Reporter] The vessel will be returned?
[Cuadra] Yes, and there is a certain mechanism for that, there are certain procedures. These boats belong to Honduran enterprises, and they must first pay fines and so forth, before...

[Reporter, interrupting] [Question indistinct]
[Cuadra] We have had general conversations. We had dinner together practically every night and we have talked about various topics. This is the first time that we have met personally, and we have not had any particular time...

[Reporter, interrupting] If the contras are demobilized, as this summit is seeking, is the Nicaraguan Army willing to reduce its armaments?
[Cuadra] Yes, according to the situation. The levels of military mobilization that Nicaragua has always maintained—and this is according to the military [word indistinct]—is according to the political and military situations that have been created. If the levels of aggression are reduced, and naturally if the contras are demobilized, then logically Nicaragua will be in a position—and that is what it wants—to reduce military readiness that entails heavy expenses that could be channelled for other purposes.

[Reporter] What percentage of Nicaragua's weaponry could be reduced?
[Cuadra] It is very difficult to answer that question. In fact, since the beginning of this year, we have been reducing a certain percentage of our weaponry. Nicaragua will always have the amount of armaments it considers necessary for its defense. We are referring to the mobilization of men directly involved in defense. In fact, over 10,000 Sandinist People's Army troops that were scheduled to be mobilized this year to other activities have not been mobilized. By October or November of this year, there will be approximately 5,000 more troops

demobilized after completing 2 years of active military service, and they will not be replaced by other personnel. We are talking about a reduction of appoximately 15,000 troops this year.

[Reporter] Commander Joaquin Cuadra...
[Cuadra] That will be all for today, thank you.

Honduran Commander on Talks

PA0708224289 Tegucigalpa Radio America in Spanish 1844 GMT 7 Aug 89

["Exclusive live interview" with Honduran Armed Forces Commander General Humberto Regalado Hernandez by unidentified reporters in Tela, Honduras]

[Text] [Reporter] What are your views on the Central American summit now that it is about to end?
[Regalado] I have a good opinion of the summit, as I have said in previous interviews. We are optimistic about this summit, and I believe it will be fruitful.

[Reporter] Honduras has proven to be open-minded, democratic, and respectful of the criteria of the other Central American governments.
[Regalado] Definitely, that is how it has been. I believe the best thing about this summit is the fraternity that has existed among the Central American countries' representatives. That is the atmosphere amid which the presidents have worked during this summit.

[Reporter] What role would the Honduran Armed Forces play if the Central American presidents agree to demobilize the contra movement? It has been said that a request will be made for the assignment of UN peacekeeping forces. In any case, what would be the role of the Honduran Armed Forces in that process?
[Regalado] We do not know yet. We are prepared to carry out any kind of mission within that process of demobilization. We are waiting to see what happens.

[Reporter] We know that you are very prudent, and we do not want you to get involved in any discussion here. However, last night, the Nicaraguan president seriously criticized the Honduran Army, because someone told him that the [Honduran] Armed Forces were not prepared to move the contras out of Honduras. Ortega said he did not see how that could be possible. He said we had an Army that was only good for marching in parades.
[Regalado] Those statements are a little odd. They are basically the result of negotiations. You have heard various opinions, and they are all valid during this phase of negotiations. Obviously, we, as the military, have that capacity [to get the contras out]. We are not an Army only for parades. We are a professional Army with the corresponding abilities. We have developed those abilities by carrying out specific training activities.

[Reporter] General, today Nicaragua's Joaquin Cuadra said he had talked to you and that a helicopter will be returned to Honduras?

[Regalado] Last night, we talked about various issues that were apparently paralyzing the negotiations. We exchanged views on the importance of those issues. He told me the two Armed Forces could begin carrying out actions to support detente in the area. We also talked about the return of a helicopter and the return of some ships, and prisoners—some Hondurans who are imprisoned for having been former Somozist guards.

[Reporter] [Question indistinct]
[Regalado] No, we cannot do anything as long as we are tied down by a suit. We are part of Honduras, and we respect matters that deal with the country's interests. I told Cuadra that we could not do anything at our level as long as there is no understanding at higher levels.

[Reporter] Does that mean that the release of the helicopter is also linked to the general peace plan presented by Honduras?
[Regalado] The release is not conditioned nor have we talked about it. This matter is in the hands of the Foreign Ministry. They will decide when the helicopter will be released.

[Reporter] Have you talked to the Salvadoran military authorities about the trafficking of weapons that Honduras has detected?
[Regalado] The Nicaraguan military authorities?

[Reporter] No, the Salvadoran military authorities.
[Regalado] The Salvadoran military authorities are worried about this problem like any country affected by the trafficking of weapons would be. We talked about it. They have a lot of information that could be helpful to us in this regard.

[Reporter] Will the Honduran Armed Forces abide by any agreement reached by the area presidents concerning the contra demobilization? Some high ranking Honduran officers have openly helped the counterrevolution.
[Regalado] That statement is uncalled for. The truth is that at this time we are negotiating. Just like the communists share with and support communist forces, we share the ideologies of democratic forces. The Armed Forces will do what they are ordered to do.

[Reporter] General, why are you out of uniform?
[Regalado] What?

[Reporter] Why are you out of uniform?
[Regalado] Because one gets tired of wearing a uniform.

[Reporter] Especially when it is hot, right?
[Regalado] So many years in uniform that...

[Reporter, interrupting] But Commander Ortega does not seem to get tired of wearing his uniform.
[Regalado] He has not been wearing a uniform for a long time. The day will come when he will also get tired.

[Reporter] General, what is your impression of this summit? Do you think positive results will be achieved?
[Regalado] I believe so. The negotiations have taken this long because they have dealt with the most critical point. However, I believe interesting results will be achieved.

[Reporter] General, you mentioned boats and prisoners. What can you tell us about this?
[Regalado] Gen Cuadra and I talked about this. He told me that they have captured many boats, however, they are mostly fishing boats. There are also some prisoners. I feel that this could be a way to begin an exchange. We have some things that belong to them.

[Reporter] General, why did you use the word communist?
[Regalado] Communist?

[Reporter] You mentioned the communists when referring to my country, Nicaragua. Why did you use that word when referring to Nicaragua?
[Regalado] Do you mean to tell me that Nicaragua is not communist?

[Reporter] Nicaragua is not communist.
[Regalado] Then what is it?

[Reporter] A popular democracy—the participation of the people in government.
[Regalado] That is your system. We also have the participation of the people in government, and we also live in democracy. I used the word communist because you yourselves have said that you have a Marxist-Leninist system.

[Reporter] [Question indistinct]
[Regalado] We are looking for peace so that we can help our countries to develop. This is an opportunity for peace to return to the Central American countries and for us to try to bring well being to people who have great need for it.

[Reporter] In conclusion General, did you meet with the other military authorities last night?
[Regalado] [Words indistinct]

[Reporter] Thank you for your kindness, Gen Regalado Hernandez.

Ortega, Azcona Reach Agreement

PA0708212189 Tegucigalpa Radio America in Spanish 1929 GMT 7 Aug 89

[All dates as heard]

[Text] Nicaraguan Information Minister Manuel Espinoza today announced that Nicaraguan President Daniel Ortega and Honduran President Jose Azcona have reached a bilateral agreement that breaks the stalemate at the summit and which includes the demobilization of the contras before 18 December.

When he rejoined today's summit session, Honduran President Azcona said that all the difficulties that emerged were settled and that there was agreement on everything.

According to the agreement, the contra demobilization will begin on 6 September and must end on 6 December.

The International Support and Verification Commission [Comision Internacional de Apoyo y Verificacion] will be established within 30 days and will have to submit a report before 18 December, 10 days after the demobilization ends.

As of 8 December, the commission will have 10 days to file its report, making it public on 18 December.

According to the agreement reached by Ortega and Azcona, Nicaragua pledges to withdraw the suit it filed against Honduras before the International Court of Justice at The Hague in June 1986 concerning the aid Honduras provides to the contras.

The withdrawal of the suit will be implemented in two phases, according to Espinoza. He explained that in the first phase, the suit will be left pending, and will be definitively withdrawn on 6 December, if the commission certifies that the demobilization has been completed.

However, Honduran and Salvadoran spokesmen concurred that a definitive agreement on the matter will be contingent upon agreement on another point in the agenda dealing with El Salvador's civil war.

Discussion of this issue centers on the nature of the appeal for peace and dialogue the summit is planning to make.

While the Sandinists only want an appeal to the Salvadoran Government and the Farabundo Marti National Liberation Front to negotiate peace, the Salvadoran president wants the summit to urge the guerrillas to call an immediate cease-fire and to engage in a demobilization process similar to that of the Nicaraguan contras.

The five Central American presidents expect to end the meeting today with a public announcement of their conclusions.

Tela Declaration 'First Annex'

PA0708223589 Tegucigalpa Domestic Service in Spanish 2152 GMT 7 Aug 89

["Text" of First Annex of Tela Declaration: "Joint Plan for the Voluntary Demobilization, Repatriation, or Relocation in Nicaragua or Third Countries of the Members of the Nicaraguan Resistance and Their Families as Well as Assistance for the Demobilization of All Those Persons Involved in Armed Actions in the Countries of the Region When They Voluntarily Request It;" signed by the Central American presidents in Tela, Honduras; read by Honduran President Jose Azcona Hoyo—live]

[Text] The presidents of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, honoring their his-

toric commitment to achieve firm and lasting peace in Central America, recalling the Guatemala procedures adopted on 7 August 1987 and the Alajuela and Costa del Sol declarations, in accordance with Resolution 637 unanimously adopted by the UN Security Council on 27 July 1989, in an attempt to advance toward achieving the goals of the Central American peace process, and as a firm example of their determination to fully respect international law, have agreed on this joint plan for the voluntary demobilization, repatriation, or relocation of the members of the Nicaraguan Resistance [RN] and their families as well as the assistance for the demobilization of all those persons involved in armed actions in the countries of the region when they voluntarily request it.

Chapter I of the voluntary demobilization, repatriation, or relocation [desmobilizacion, repatriacion, o reubicacion voluntarias] in Nicaragua or third countries of the members of the RN and their families.

Introduction:

This chapter expands on the agreements signed by the presidents and also takes into consideration the following:

1. The report issued by the OAS secretary general.

2. The national political agreement between the Nicaraguan Government and the 21 Nicaraguan political parties in which, after achieving important political progress in the democratic process, they called on the Central American presidents to approve a plan for voluntary demobilization, repatriation, or relocation.

This chapter defines the mechanisms and procedures to be followed for the voluntary demobilization, repatriation, or relocation of the members of the RN and establishes the material conditions and safety that must be provided to all the persons covered by this plan, which will be implemented with the help of international organizations. This plan also applies to the voluntary repatriation or relocation of the families of the members of the RN and Nicaraguan refugees.

In accordance with the Esquipulas procedures and the Costa del Sol declaration, the Nicaraguan Government has expressed its willingness to strengthen its national reconciliation and democratization processes, thus contributing to encouraging the RN to accept the voluntary repatriation. Therefore, the Nicaraguan Government has decided to sign this plan aimed at achieving the repatriation of a majority of the members of the RN, the only exception being those who choose to be relocated in third countries.

The five Central American governments have reiterated their commitment to prevent persons, organizations, or groups from using their territory to destabilize other states and to stop all types of aid to armed groups, with the exception of humanitarian aid that will be used for the purposes defined by the presidents in this plan.

Mechanisms:

1. The International Support and Verification Commission, as of today to be known as the CIAV, will be created to implement and fulfill the plan. The UN and OAS secretaries general will be invited to participate in the commission. They may participate through their representatives.

2. The CIAV must be created within 30 days of the signing of this agreement. The five Central American presidents hereby urge the RN to state its acceptance of this plan within 90 days after the creation of the CIAV. During those 90 days the Nicaraguan Government and the CIAV will hold direct meetings with the RN to promote their return to Nicaragua and join the political process. After the plan has been fulfilled, the CIAV will issue a report to be presented to the Central American presidents.

3. The CIAV will be responsible for all activities that will make the voluntary demobilization, relocation, or repatriation possible. The CIAV will also be responsible for welcoming and settling those who repatriated. The commission will also ensure that the conditions are adequate for the repatriated persons to join civilian life and to carry out follow-up and control activities demanded by the process.

4. The CIAV will carry out its activities with the help of the Central American governments and will seek the support of specialized organizations with experience in the region and other organizations as they may deem necessary. Said organizations will be officially invited by the governments, and among their objectives will be to facilitate the implementation of the plan, ensure that the human rights of the repatriated are being respected, and that they are earning an adequate income.

5. Once the CIAV has been created it will immediately begin to:

A. Hold the necessary meetings with the Nicaraguan Government authorities, the other Central American governments, the RN, and humanitarian organizations in an attempt to facilitate the implementation of the plan.

B. Visit the RN and refugee camps to:

1. Explain the extent and benefits of the plan.

2. Learn of the existing human and material resources.

3. Organize distribution of humanitarian aid.

4. Assume responsibility, as much as possible, for the distribution of food, medical attention, clothes, and other basic needs at the RN camps—this will be done through the support organization—and carry out efforts for settling in third countries those who do not wish to be repatriated and offer them the necessary help.

6. The CIAV will issue certificates to every Nicaraguan citizen who accepts the plan and will implement the voluntary repatriation plan for those who wish to return to Nicaragua. The departure and entry points will be through the border posts mutually agreed on by the governments. At these border posts the Nicaraguan Government, in the presence of CIAV representatives, will issue the necessary documents guaranteeing the rights of the person. At the same time, relocation in third countries for those who do not wish to be repatriated will begin. In these cases, the Nicaraguan Government, with the help of the CIAV, will issue passports to all who may request them. The five presidents urge the international community to offer financial support for this demobilization plan.

Procedures:

7. As of its creation, and in fulfillment of the plan for the voluntary demobilization, repatriation, or relocation in Nicaragua and third countries, the CIAV will establish the procedures for the surrender of weapons, equipment, and war materiel by the members of the RN. This materiel will remain in the commission's custody while the five presidents decide on the what will be done with it.

8. The CIAV will verify the dismantling of camps left behind by the Nicaraguan Resistance and refugees.

9. Those repatriated—circumstances permitting—will be directly escorted by the CIAV to the site of their definitive resettlement that will be—as much as possible—their place of origin or a place chosen by consensus by the Nicaraguan Government and the CIAV.

To implement this, temporary residence areas can be established in Nicaragua under CIAV control and supervision while a permanent site is chosen. Land will be distributed among, and economic and technical aid will be provided to, those repatriated who wish to become involved in agriculture. This will depend on the possibilities of the Nicaraguan Government, the experience of specialized international organizations, and the amount of funds obtained for this purpose.

10. The CIAV will establish—with the help of the Nicaraguan Government—reception centers that will be able to provide basic services, first aid, family counselling, economic aid, transportation for the settlement areas, and other social services.

11. To ensure the necessary guarantees to those repatriated, the CIAV will establish—from the very beginning of the program—follow-up offices to allow people to voice—when they need to do so—complaints of possible failures to comply with guarantees originally offered for their repatriation. These offices will operate as long as the CIAV—in consultation with the Central American Governments—deem it necessary. Personnel from these offices will periodically visit those repatriated to verify fulfillment of the guarantees offered and draft reports on compliance with this plan. The CIAV will forward these reports to the five Central American presidents.

12. Situations not foreseen in this chapter will be resolved by the CIAV in consultation with the Central American governments and the institutions or persons involved.

Chapter II: On assistance for the demobilization of all those people involved in armed actions in countries of the region when they voluntarily request it.

The topic [objetivo] of this chapter is assistance for the demobilization of all those people involved in armed actions in countries of the region when they voluntarily request it.

The demobilization of these people must be implemented in keeping with procedures specified in Esquipulas II and the legislation and local organizations [instancias] of the affected country. To guarantee this assistance, the CIAV can be officially invited by Central American Governments to do so.

Chapter III: On assistance for the voluntary demobilization [desmobilizacion voluntaria] of the members of the Farabundo Marti National Liberation Front, FMLN, in keeping with guidelines specified in the Guatemala procedure [procedimiento] and the Alajuela and Costa del Sol declarations.

To contribute toward ending armed actions in the Republic of El Salvador, the Governments of Costa Rica, Guatemala, Honduras, and Nicaragua reaffirm their firm conviction on the need to immediately and effectively end hostilities in that fraternal country.

Therefore, they vehemently urge the FMLN to hold a constructive dialogue to achieve a just and lasting peace. The governments mentioned here also urge the Salvadoran Government to implement—with full guarantees and in keeping with Point 2 of the Guatemala procedure [procedimiento]—the incorporation of FMLN members to peaceful life.

The Salvadoran Government reaffirms its unrestricted respect of its commitments to achieve national reconciliation and continue strengthening the pluralist, participative, and representative democratization process that is already under way through which social justice and full respect for all human rights and the basic freedoms of the Salvadorans are promoted.

Once it is agreed that the FMLN will forsake the armed struggle and return to institutional and democratic life through dialogue, steps will be taken to demobilize the members of the FMLN using, to this effect, the procedure established in Chapter I of this plan insofar as it is applicable and with any modifications required in this case to facilitate its implementation.

The foregoing notwithstanding, any FMLN members who at any time voluntarily decide to lay down arms and to join El Salvador's political and civilian life may also enjoy the benefits of this plan. To this effect, the Salvadoran Government—through CIAV and relevant national and international organizations—will urge these persons to apply for and receive the benefits herein established, using all suitable means available to do so.

Agreed to and signed at the port city of Tela, Republic of Honduras, on 7 August 1989.

[Signed] Oscar Arias Sanchez, president, Republic of Costa Rica; Alfredo Cristiani, president, Republic of El Salvador; Vinicio Cerezo Arevalo, president, Republic of Guatemala; Jose Azcona Hoyo, president, Republic of Honduras; Daniel Ortega Saavedra, president, Republic of Nicaragua.

Tela Declaration 'Second Annex'

PA0808004889 Tegucigalpa Domestic Service in Spanish 2215 GMT 7 Aug 89

["Text" of Second Annex of Tela Declaration: "Agreement Between Nicaragua and Honduras on Nicaraguan Suit Filed Against Honduras at the International Court of Justice;" signed by Nicaraguan President Daniel Ortega Saavedra and Honduran President Jose Azcona Hoyo, and by the other Central American presidents as guarantors of the agreement, in Tela Honduras, read by Honduran President Jose Azcona Hoyo—live]

[Text]Agreement:

Honduran President Jose Azcona Hoyo and Nicaraguan President Daniel Ortega Saavedra, acting as heads of the executive branches of their respective states;

With the moral and political support of Presidents Marco Vinicio Cerezo Arevalo of Guatemala, Alfredo Cristiani of El Salvador, and Oscar Arias Sanchez of Costa Rica;

Motivated by the noble objective of maintaining peace, cordiality, and cooperation between Nicaragua and Honduras, countries united by close historic ties of friendship and brotherhood;

Recalling the commitment ratified in the 7 August 1987 Esquipulas agreement on not permitting the use of national territory to attack other states;

Also bearing in mind the 14 February 1989 Costa del Sol Declaration in which the Central American presidents vowed to draft within 90 days a joint plan for the voluntary demobilization, repatriation, or relocation [desmovilizacion, repatriacion o reubicacion voluntarias] in Nicaragua and in third countries of the members of the Nicaraguan Resistance and their families; and

Based on the desire to always keep open the possibilities of resorting to peaceful means to solve controversies, including the International Court of Justice [ICJ], to solve possible situations or controversies that threaten peace and security between the two states, have agreed to reach an out-of-court settlement with regard to the 28 July 1986 suit filed by Nicaragua against Honduras at the ICJ.

This agreement will be based on the following:

1. Having agreed on the joint plan for the voluntary demobilization, repatriation, or relocataion [desmovilizacion, repatriacion o reubicacion voluntarias] of Nicaraguan Resistance members and their families on 7 August 1989, a plan the implementation of which must be started as soon as the International Support and Verification Commission [Comision Internacional de Apoyo y Verificacion (CIAV)] is installed, no later than 9 September 1989, and must end 90 days later through certification by the UN and OAS secretaries general, who will attest to the fulfillment of this plan;

2. Bearing in mind that the presence of the contras and their camps hinders the development of the ongoing democratic process in Nicaragua, the Honduran president agrees to make official, as appropriate, his government's petition to the UN Security Council for the integration and sending of an international peacekeeping force to Honduras to prevent irregular forces from using Honduran territory;

3. Having fulfilled what is established in the previous point and after the corresponding certification on the CIAV's fulfillment of this plan has been issued, according to the joint demobilization plan, Nicaragua will proceed to desist from the suit filed against Honduras at the ICJ. The Nicaraguan Government—trusting that the Honduran Government will fully cooperate in the compliance, in good faith, of the joint demobilization plan within the terms stipulated in it—vows to ask the ICJ for an extension of the date established for the presentation of the document on the merits of the suit up to the date when, according to the joint plan, the official report on the fulfillment of the plan must be presented.

When Nicaragua receives the official report on the CIAV's fulfillment of this joint plan, within the terms agreed upon, Nicaragua will proceed to desist from the suit filed against Honduras at the ICJ.

[Dated] 7 August 1989, Tela, Honduras

Tela Declaration

PA0808000989 Tegucigalpa Domestic Service in Spanish 2226 GMT 7 Aug 89

["Tela Declaration" signed by Costa Rican President Oscar Arias, Honduran President Jose Azcona Hoyo, Guatemalan President Vinicio Cerezo, Nicaraguan President Daniel Ortega, and Salvadoran President Alfredo Cristiani in Tela, Honduras on 7 August 1989; read by Honduran President Jose Azcona—live]

[Text] The Central American presidents, meeting at the port city of Tela, Republic of Honduras, on 5, 6, and 7 August 1989, bearing in mind and recognizing the important work done by the Executive Commission during its ninth meeting and by the Technical Working Group, whose efforts have made it possible to hold this meeting;

Considering:

That it is necessary to fulfill the steps agreed to in the Esquipulas II agreement to achieve a firm and lasting peace, and to effect compliance with the commitments undertaken by the presidents in the declarations and agreements that have successively been held in Alajuela and Costa del Sol, agree:

1. To reiterate their determination to promote any and all actions aimed at fulfilling points 5 and 6 of the Esquipulas agreement to prevent their own territories from being used to destabilize the governments of the Central American countries. In this regard, they have signed the document called Joint Plan for Voluntary Demobilization, Repatriation or Relocation [Plan Conjunto para la Desmobilizacion, Repatriacion, o Reubicacion Voluntarias] in Nicaragua or third countries of the members of the Nicaraguan Resistance [RN] and their relatives as well as on assistance for demobilization of any and all persons involved in armed actions in countries in the region when they voluntarily so request.

2. To promote a concerted solution to any disagreements that may directly arise among the various Central American countries, for which reason support was given to the agreement between Honduras and Nicaragua regarding the lawsuit at The Hague court, which the presidents of Guatemala, El Salvador, and Costa Rica morally support.

3. To reiterate their appeal to the armed groups in the region, most particularly to the FMLN [Farabundo Marti National Liberation Front], which still insist on resorting to force, to desist from such actions. For this purpose, Chapter III on assistance for voluntary demobilization of the FMLN members was approved. In it, a vehement appeal is made to the FMLN to agree to an immediate and effective cease-fire to carry out a dialogue that will lead the FMLN members to forsake the armed struggle and to join institutional and democratic life.

4. The presidents acknowledge the efforts of the Guatemalan Government to strengthen its process of national reconciliation through a broad and permament dialogue, in which the National Reconciliation Commission is playing a key role. Likewise, they express their hope that the democratic, pluralistic, and participatory process will be consolidated through this dialogue in accordance with Section I of the Esquipulas Procedure and domestic legislation, which reiterates the appeal to the armed groups to stop activities at odds with the spirit of this agreement and to join political and institutional life through the process of national reconciliation.

5. To ask the United Nations to adopt the necessary measures to set into motion the verification mechanism in matters of security, because Honduras and Nicaragua have reached an agreement, including the lifting by Honduras of the reservation on the launching of the plan and the reiteration of Honduras' request that an international peacekeeping force be sent to Honduran territory.

6. To reiterate the Executive Commission's appeal during its ninth mission to the Central American Commission on Environment and Development [Comision Centroamericana de Ambiente y Desarrollo] to hold its first meeting in Guatemala City on 30 and 31 August 1989 for it to begin drawing up the draft agreement to regulate its nature and functions.

7. To reassert the importance of the Central American Parliament's importance as a forum at which the peoples of the area will discuss and make recommendations regarding Central America's political, economic, social, and cultural problems. Therefore, it is imperative that its organizational charter enter into force as soon as possible.

8. To strongly condemn the trafficking [words indistinct], with the Central American presidents pledging to promulgate laws and adopt drastic measures to prevent our countries from becoming bases for drug traffickers. To accomplish these objectives, national and international cooperation will be sought, agreements will be signed with nations affected by the illegal drug trade, and action will be taken to efficiently control drug trafficking.

9. The Central American presidents agreed to delegate to the Executive Commission the task of discussing and approving the document on political verification, which will be ratified by the presidents at their next meeting, at the latest.

On the Esquipulas II peace plan's 2d anniversary, the presidents of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua reiterate their firm resolve to fully comply with all the pledges and agreements stipulated in the Guatemala procedure, and the Alajuela and Costa del Sol Declarations, especially those agreements that

concern strengthening the national reconciliation processes, and the perfecting of the democratic processes, for which strict compliance with the agreements reached is fundamental.

The Central American presidents have agreed to meet before year's end in the Republic of Nicaragua.

The Central American presidents thank the Honduran Government, the Honduran people, and especially President Jose Azcona Hoyo for their hospitality.

[Dated] 7 August 1989, Tela, Honduras

Presidents Hold News Conference

PA0808010189 Tegucigalpa Domestic Service in Spanish 2235 GMT 7 Aug 89

[News conference by Costa Rican President Oscar Arias Sanchez, Honduran President Jose Azcona Hoyo, Guatemalan President Vinicio Cerezo Arevalo, Nicaraguan President Daniel Ortega Saavedra, and Salvadoran President Alfredo Cristiani, with unidentified moderator and reporters in Tela, Honduras—live]

[Text] [Moderator] We will let the representative of HRN [call sign for Voz de Honduras of Tegucigalpa] ask this question. HRN, the representative of HRN may ask a question.

[Reporter] I would like to know how long it will take you to demobilize the contrarrevolutionaries. How long, I ask you, Mr President? [Word indistinct] a deadline to do so?
[Azcona] The deadlines are set in the plan I read. I will again read to you the chapter containing this matter. This is... [changes thought] We have clearly read it. The deadlines are 30 days for the installation of the CIAV [International Support and Verification Commission] and 90 days for the demobilization process. This is in the document we read.

[Moderator] The representative of "This Very Day" [Televisora Hondurena newscast] will pose the next question to the president of the sister Republic of Guatemala, Vinicio Cerezo

[Reporter] Mr Honduran President, Salvadoran President Alfredo Cristiani. Are you pleased with the results? Do you think you are taking back good results that enable you to talk with your country's guerrillas?
[Cristiani] Yes, I am pleased. I think my Central American colleagues have shown understanding by categorically addressing the Salvadoran problem and raising it to this level. I think this will help achieve peace as promptly as possible in our country. Furthermore, the FMLN [Farabundo Marti National Liberation Front] sent a letter accepting a direct dialogue with the Salvadoran Government. Consistent with our proposal of 1 June, stating our readiness to open a dialogue, we are going to try to carry out this process as soon as possible.

[Moderator] The representative of Guatemala City's PRENSA LIBRE will pose a question to Guatemalan President Vinicio Cerezo.

[Reporter] Mr Cerezo. In the agreement on demobilization and final destination of the contras, Guatemala is chosen as one of the places for relocation. How many contras and relatives is your government willing to accept?
[Cerezo] As stated in the agreement, all the presidents hope and wish the majority of Nicaraguans in exile will return to Nicaragua. Of course, as always, Guatemala—which is a country that requires no visas and exerts no controls on the transit of Central Americans—will receive those willing to live peacefully and to exercise the rights accorded by our country's laws at any time.

[Moderator] The PRENSA LATINA newsman will pose a question to Nicaraguan President Daniel Ortega.

[Reporter] Excuse me. My question is for President Azcona.

Mr President, do you think the Honduran Armed Forces can enforce this agreement in the event some sectors of the Nicaraguan contras refuse to agree to the demobilization?
[Azcona] I think this agreement will be supported by all Hondurans.

[Reporter] Thank you.

[Moderator] Reporter Maldonado of EL HERALDO with a question for Nicaraguan President Commander Daniel Ortega.

[Maldonado] Commander Daniel Ortega, a contra demobilization plan was agreed upon at this fifth summit meeting. What attitude will Nicaragua now adopt toward the United States and Moscow?
[Ortega] I hope the U.S. Government headed by President Bush will completely support this agreement by the Central American presidents, and that the funds it has allotted to the counterrevolutionaries as humanitarian aid —as it is legally defined by the U.S. Congress—will now be used for this contra demobilization plan.

[Moderator] Reporter Elan Reyes of Radio America with a question for President Oscar Arias Sanchez of the neighboring Republic of Costa Rica.

[Reyes] Good afternoon, President Arias. The voluntary nature of the Nicaraguan counterrevolutionaries' demobilization has been insisted upon. It is an issue that Honduras and Nicaragua have heatedly debated. What is your current opinion in view of your doubts concerning the contras' resolve to leave Honduran territory?

[Arias] I believe the document is very clear. We have agreed on a procedure to demobilize, relocate, and repatriate [desmovilizacion, reubicacion, y repatriacion] the contras, and we have also made an impassioned plea for the FMLN to lay down its weapons.

As you heard when the declaration was read, especially the first annex, within 30 days a commission will be formed which, in conjunction with the Nicaraguan Government, will talk with the Nicaraguan Resistance to persuade the soldiers in Honduran territory to return to their country. This will depend to a great extent on the determination of the CIAV and the Sandinist government to convince these Nicaraguans that the political, economic, and social opportunities the Nicaraguan Government will offer them are such that they will be encouraged to return to their fatherland. I believe that goodwill might prompt the contras to relocate in their own country.

This agreement by the five Central American presidents further corroborates that diplomacy is the path to follow. Just 2 years ago we asked the world to give diplomacy an opportunity. Today, by signing these documents, we are telling the world that we do not fear diplomacy, that we believe in it, that war is not the solution, that violence must yield to negotiation. This, in my opinion, is the Tela Declaration's spirit.

Cuba

GRANMA Editorial on Relations With U.S.

FL0708172589 Havana Tele-Rebelde Network in Spanish 1100 GMT 7 Aug 89

[Text] Today GRANMA carries an editorial entitled "Cuba Must Be Treated as It Is: A Socialist and Sovereign Country", which we now read to you.

As reported in late July and early August, a series of special hearings have been held in the United States before committees and subcommittees of the U.S. House of Representatives and Senate. Although the motives and the organizations have been of different political tendencies, the hearings of 25 and 26 July before the Foreign Relations Committee of the House of Representatives and before the Foreign Relations Subcommittee of the Senate, respectively, as well as the hearings on 2 August before the Subcommittee for Hemispheric Affairs, there have been two common denominators: The two hearings have discussed the subject of Cuba, and during both, representatives of the Bush administration have also shown off their uncouth anti-Cuban positions.

During the aforementioned hearings, various legislators, administration officials, and even a small group of deserters of Cuban origin testified. The July hearings, sponsored by representatives and senators known for their antagonism toward the Cuban revolution, were mainly about the subject of Cuba's participation in drug trafficking. The early August hearings, on the contrary, were promoted by officials of the so-called Black Caucus with their realistic desire to reexamine the results of Washington's policy toward Cuba which, during 30 years of hostilities and aggressions, has proven to be inefficient. Their work agenda was entitled "U.S. Policy Toward Cuba". The debates that were held have shown some realities.

These realities are: the obstinate position of the Bush administration, expressed by its main political officials, regarding the use of old formulas that ideologize relations with the United States and which do not take advantage of opportunities to progress on this path toward normalizing U.S.-Cuban bilateral relations; the moral abyss that separates the two societies and makes them identify themselves with diametrically opposed determined values; the complex and sensitive so-called drug problem of the United States and the fight against it, expressed in contradictory statements which appeared in the very testimonies given during the hearings.

While the representatives of agencies and institutions that make policy in the current Republican administration ascribed themselves to rigid anti-Cuban formulas, the officials, who were testifying on behalf of technical organizations involved in the fight against drugs, showed their organizations' positions and greater realism regarding the possibilities of making progress in cooperating with Cuba in the fight against drug trafficking.

All the hearings had to, necessarily, take into consideration an important fact for the bilateral relations of the two states—the serious, solid, and true intentions expressed by Cuba in the sense of cooperating with U.S. authorities in the fight against drugs. Whether or not one wants to acknowledge it, that was the main subject of the debates. Taking note of this show of goodwill on behalf of Cuba, the U.S. Government representatives presented all kinds of evasions so as not to compromise their opinions. They insisted on the catastrophic vision that the Bush administration reserves for socialism on a world-wide scale. They also emphasized their opinion that if the Cuban Government is showing these initiatives, it is not because of a sincere will, but rather, because of political and economic difficulties. They answered with the same lines of [words indistinct] of the case of Ochoa-La Guardia group of drug traffickers, merely to shed doubt doubt on and question the sincerity of the Cuba's goals. With an untimely mentality, they said Cuba had to show in deeds and not words [its intentions] regarding the fight against drug trafficking. They even expressed the peculiar idea that any Cuba-U.S. cooperation would have to be preceded by Cuba satisfying certain conditions. In other words, the Bush administration used all kinds of obstacles and pretexts to decline the announced Cuban intention to offer cooperation in that common struggle, even while facts show that the drug problem is probably the largest scourge affecting U.S. society.

This conduct makes one think that the negative attitude of the U.S. Government is hardly serving its citizens—who are the main target of the harmful phenomenon of drug trafficking. Even members of the Bush government who testified recognized the strategic importance of Cuba, given its geographical location, which makes it a virtual 1,200 km-wide corridor leading to the southern sector of the United States. The magnitude of the problem is expressed in amazing figures—760 million doses of cocaine, valued at over $91 billion dollars, are consumed annually in the United States. The 25 million users of marijuana in the United States consume between 9 and 10 million kg which represents over $27 billion annually. The nearly $120 billion annually, which does not include the traffic and trade of other drugs such as crack, morphine, heroin, and other narcotics would be enough, for example, to pay the total Latin American foreign debt in a period of less than 4 years. It would even be more than enough for the 46 million unemployed Latin Americans to receive double the minimum wage average for the continent. However, the monstrous transnational commerce has an even more painful price for the United States. It is a cancer that multiplies geometrically and eats away at the marrow of U.S. society. It eats away at those who are its direct victims as well as those who die as a result of violent crimes caused by drugs.

The Bush administration has often declared its intention to protect the U.S. people from this threat. However, in the recent hearings, the best those representing the United States could do was to attribute to Cuba its desire to offer cooperation in exchange for progress in bilateral relations. This logic of rewarding good actions—slightly reminiscent of the evangelizing sermons which laid the foundation for the United States of today, without paying attention to the most atrocious genocide and colonial expansionism practices—undoubtedly still works in U.S. relations with its preferred friends, a group of servilely obedient people [fauna de genuflectos]. Only the most tenacious historic amnesia can explain the appeal by the representatives of the Bush administration—the ninth administration since the triumph of January 1959—for such a false and simple pretext. However, the paradox in this case is obvious: The United States would be the one to benefit from a civilized antidrug trafficking agreement with Cuba.

The sad episode of the Ochoa-La Guardia group, which was exemplarily tried and sanctioned in Cuba, is the most recent and painful evidence. During the hearings, U.S. officials have played games to evade the fact that, having had prior information on drug trafficking activities of the Ochoa-La Guardia group, they did not make it available to the Government of Cuba. The truth is that, as a result of having denied that cooperative information, six tons of cocaine entered U.S. territory; in other words, the equivalent of over four million doses. Although that represents less than one per cent of the annual consumption in the United States, some American youths could have died from that drug, or from crimes related to it. Today, some families could be in mourning simply because the government of President George Bush did not allow its special agencies to cooperate with the Government of Cuba. The Bush administration may use whatever tricks it wants to deny this. As one of its officials said, with regard to this: If the information was not provided to Cuba, it was because Cuba was not trustworthy enough to be given intelligence information. On the other hand, during those hearings they did not say a single word about the fact that when the Government of Cuba found out, also through intelligence information, that then-President Reagan could have been the victim of an assassination, it did not take 48 hours to report it to appropriate authorities in the United States. This fact—which was also made known by Comrade Fidel during his speech to the Council of State, and made public on 11 July—does not seem to have been revealed, nor did the great U.S. press make any commentary on it, a press which presumes to be so free and objective. This is the same press—from which some think we should learn—that, in a cowardly way, that silenced the hundreds of thousands of people who in December of 1986 demonstrated in front of the U.S. Interests Section in Havana and expressed their repudiation against the spy flights of the SR-71. The truth is that no other country in this hemisphere has struggled as actively against drugs as Cuba has. For several years, Cuba has been fighting, by itself, against drug traffickers who roam its coasts. An example of this is the fact that up to 1988, hundreds of tons of drugs in transit to the U.S. market have been seized by Cuban authorities, and hundreds of drug traffickers—many of them U.S. citizens—have been arrested and sentenced.

Cuba did not require any reward from the United States for these actions. Furthermore, they continued and carried out without interruption, in the midst of the campaign of insults, their actions against the highest figures of our country, led and guided by the United States.

The situation is very delicate and demands political integrity. If Cuba has been active and continues in the antidrug struggle, security has been and will continue to be its motive for the sake of its principles and for Cuban prestige and responsibility at the international level. However, this is in no way because Cuba has any obligation to protect the stability and health of U.S. society. That is the task of the U.S. Government. Noting such a harmful scourge, it is truly obscene to set conditions, as prerequisites, to consider Cuba's intentions. The United States must face the Cuban proposal as is—they can either take it or leave it.

The responsibility of the U.S. Government in this matter is inescapable, because the problem is especially sensitive for the neighbor to the north. If a decision was made in Washington contrary to the interests of the U.S. people, the only ones who would smile with pleasure at the negative result would be the czars of the drug trafficking cartels—and, who knows, maybe even the corrupt officials of some U.S. agencies, who benefit from the wicked business, as was shown in the past during the political scandals of the Reagan administration. Still fresh in our minds are the statements made by Judge Gerhard Gesell, who, referring to Lieutenant Colonel Oliver North, said he was a low-ranking subordinate instructed by his cynical superiors in the White House to get involved in illegal activities.

With regard to Cuba, the attitude expressed in the congressional hearings does not cause us to lose sleep. We have lived for 30 years without relations with the United States—we have done well. Even when we have suffered the consequences of the criminal anti-Cuban legislation of Washington, we have not needed them to survive or develop the country. If there is anyone who is not desperate to normalize relations, it is Cuba.

These 3 decades, on the other hand, have passed without the influence and consequences of a relationship with the United States. Taking a good look at matters, we are not the losers. One of the people testifying at the hearings, Michael Cossack, assistant deputy secretary for inter-American affairs, alluded to this problem and said that, in reality, Cuba does not fear U.S. threats, but rather, its example. We have done without that example for 30 years, but if we are talking about the example of the largest consumer of drugs in the world, the society of pornography and child prostitution, the country with the

largest number of AIDS patients in the world, the country with 70 million illiterates—and functional illiterates who grow at a rate of 2 million annually—the society in which high-powered weapons can be freely bought in world [as heard] hardware shops, the [society] in which a 16-year-old adolescent—as U.S. statisticians have shown—has seen 200,000 acts of violence on television, in that case, it is a right of legitimate defense to protect oneself from that kind of example.

No one could question this action on Cuba's part, no matter how much it irritates Mr Cossack. Instead, one might think that it is the United States that fears Cuba's example. Nothing else can explain the restrictions imposed upon the island that even violate U.S. constitutional rights, such as the right to travel.

What explanation could Mr Cossack give for refusing to allow authentic representatives of Cuban culture, in any form, to enter the United States? What fear, for example, does the Aragon Ochestra of Folk Music instill in Washington? Like many others, the Aragon orchestra was prevented from representing its Antillean rhythms in the United States.

The conditions presented by U.S. Government officials during the hearings are further proof of the lack of realism on the part of the United States in its dealings with a neighbor that does not share its political and economic premises and foundation. Any cooperation with Cuba, they reiterated, would require that Cuba first modify its relations with the Soviet Union, cease relations of support and solidarity with the revolutionary movements in the continent, and support a policy of human rights that is in the image of and similar to what the United States feels is convenient.

This in no way is a serious position. Washington cannot attempt to make Cuba cease to be itself as a condition for any progress in relations, including the effort to attain cooperation mechanisms for the fight against drugs.

We must be very clear in this area. Cuba will not follow the road of concessions in exchange for the forgiveness of the United States in order to receive crumbs in the form of promises and assistance, trade preferences, or technology.

Cuba has maintained and will always maintain its unalterable position of principles. In the past, leaders in Washington demanded that Cuba break the kind of relations we maintain with the Soviet Union. For many years, Cuba has demonstrated sufficient dignity and the consequences of its principles and has not changed its positions in exchange for favors from the empire.

Now the United States, in an unprecedented pirouette, has added a demand which requires a break in terms of our strategic alliance with the USSR. The United States, in its demand, which is not so much contradictory as unusual, wants us to carry out a reform in the style of perestroyka.

The Cuban revolution will not play that immoral game of give and take. If we do not have to present certificates of good conduct to anyone to defend our policy against drug trafficking, we also should not have to do so in this case just to satisfy wild demands. One must always deal with Cuba just as it is, just as Cuba has presented itself, and as long as there is no administration in the United States with the common sense and political courage to understand that it cannot try and change us, there will be no bilateral progress. We will see new U.S. Administrations come and go just as we have seen eight other leaders of the neighboring country come and go.

The conditions presented by the United States deserve careful examination. We have analyzed the lack of realism and the ingredient of prepotency that prevents the United States from developing a relation of equals with Cuba.

For example, if we were to make the U.S. demands our own—and let us say any sensible person in the world would understand this—then the National Assembly of the People's Government, a parliament as solvent and sovereign as the U.S. Congress considers itself to be, could also make its viewpoints be conditional demands for any kind of progress in bilateral relations. In the matter of rights, their conditions would be as valid as those the U.S Government uses as an argument. Our parliamentarians could advise the Cuban Government that this bilateral cooperation should not take place until the United States first immediately and unconditionally returns the Guantanamo Naval Base; unless it gives its colony of Puerto Rico its independence; until it withdraws its military presence from other countries; until it resolves the drama of the ethnic minorities in the United States; until it eliminates unemployment; or until it establishes a system of free medical assistance similar to the one that exists in Cuba.

However, in the contemporary world, because of its diversity and complexities that we all accept as irreversible facts, such a position would not be viable, just as the Bush administration's demands are not viable.

The U.S. Government happens to attribute worldwide jurisdiction to itself and its legislature does not lack people who believe in this idea. Both are powers and institutions of a state, and instead of being concerned about matters that pertain to the sovereignty of others, they should spend more time on real policy, on matters that pertain to the United States, on the correction of the numerous wrongs and imperfections that afflict that society. This is not even a Cuban suggestion. A recent opinion poll that was published in NEWSWEEK magazine last June indicates that 53 percent of those polled in the United States feel that the U.S. Congress is not dealing with the real problems of the nation.

Cuba, of course, realizes that the new era presumes relations of equality and the acceptance of models that each one freely chooses. These types of differences cannot be used as arguments to nullify normal relations between two countries.

The other matter that transpired from the hearings is the moral standards that regulate the abysmally different Cuban and U.S. societies.

The matter of approaching the problem of drugs precisely emphasized that abyss. While Cuba practices a policy of principles and strict compliance with the laws pertaining to drugs, which determined the execution by firing squad of someone who was once considered a hero but had become a criminal; a U.S. criminal convicted of the illegal trafficking of weapons and drugs was turned into a hero and received the blessings of the U.S. president.

Under the current administration, the scandalously mild sentence imposed on Oliver North is the best example of the contrast between the U.S. judicial process and the one that took place in Cuba against Arnaldo Ochoa and the Tony La Guardia group. Both attitudes exemplify the conduct of two worlds and the values that exist in both societies.

The sanction imposed upon Ochoa and La Guardia reflects the Cuban revolution's sense of value in regard to the serious transgression committed. The sentence of 2 years' probation, the fine imposed, and the work he will do with misdirected youths in an antidrug program, clearly demonstrates Washington's political will in the case of Oliver North. The North case also had extenuating circumstances which, as far as we know, were not even examined by the U.S. legislature.

The congress of Costa Rica, a country that is Washington's friend, and its own government in San Jose, acting on the pure instinct of survival, had no other alternative but to declare persona non grata Oliver North, John Poindexter, Richard Secord, and three other U.S. citizens involved in the Iran-contra scandal and in the trafficking of drugs and weapons with the Nicaraguan counterrevolution and with the proven assistance of the CIA. North and the others are prohibited from entering Costa Rica for life.

Even so, one of those implicated in this crime, the former CIA station chief in San Jose during the Iran-contra scandal, Joe Fernandez, was tried in Washington for this. When the trial judge requested classified information on the events, the CIA and the U.S. Justice Department began proceedings to prevent the true role of Fernandez in the trafficking of drugs and weapons from being revealed.

A legitimate and consistent policy of fighting drug trafficking and against the implication of corrupt U.S. officials should have prompted an immediate action on the part of the U.S. Government. The statement made by the Costa Rican Congress, drafted by parliamentarians from Social Christian and Social Democratic Parties, should have promoted action from U.S. legislators.

Very obvious conclusions can be drawn from what has occurred at one time or another in both capitals, Washington and Havana.

The Cuban revolution has cut down, in a manner without any equal in this hemisphere, the treacherous collection of people that involved our country in drug trafficking.

The Bush government, like that of his predecessor in the White House, has acted like a vulgar accomplice of his own mob. Different things are now being said in the hearings. Attempts are being made once again to deceive the people of the United States, principal victim of the phenomenon of drug trafficking and drug addiction.

Cuba has spoken with striking clarity. The experience of 3 decades is unquestionable. Not only can one live healthfully without the United States, but one can also live despite the United States. Such a problem is not listed on our agenda of priorities.

What remains to be seen is how far an obtuse and failed anti-Cuban policy will take the Bush administration in harming the most legitimate interests of the U.S. people. The offer was formulated with the proverbial seriousness that characterizes the Cuban revolution. It is up to Washington to assess the acts and make a move or accept Cuba's intentions just as they are, treat Cuba as an equal and, as a government, fulfill its obligations to its people or allow itself to be dragged down by hallucinations generated by the false pride with which it assumes its own historic destiny while U.S. society continues to acquire the tragic splendor of Sodom and Gomorrah.

Nation Elected to UN Human Rights Subcommittee

FL0808004789 Havana Television Service in Spanish 0000 GMT 8 Aug 89

[Text] Today, Cuba received unanimous backing to chair one of the three vice presidential positions of the UN Human Rights Subcommittee. This subcommittee has its headquarters in Geneva, Switzerland.

The Latin American group nominated Cuban delegate Miguel Alfonso, professor of Havana's International Relations Superior Institute, to represent our continent at that world organization.

The UN Human Rights Subcommittee is made up of 26 experts from various countries. These delegates hold their annual August meeting in Geneva to determine the main aspects of the UN's work schedule.

Students Return From Techinical Study in USSR

FL0808010489 Havana Television Service in Spanish 0000 GMT 8 Aug 89

[Excerpt] Almost 3 miles from the port of Havana, where dozens of people are waiting impatiently, a team from Cuban television boarded the ship "Taras Shevchenko." This ship is bringing back almost 500 Cuban graduates who were studying in intermediate and superior institutes in the USSR.

All of the graduates are very young and have high-level training in scientific-technical fields that correspond to the economic and social development of our country. [passage omitted]

More Human Rights Dissidents Reportedly Arrested
PA0708152789 Paris AFP in Spanish 1436 GMT 7 Aug 89

[Text] Havana, 7 Aug (AFP)—Cuban dissidents Elizardo Sanchez Santa Cruz, Iran Abi Cobas, and Hurbert Jerez were arrested Sunday, their relatives informed Western news agencies in Havana.

According to these sources, the dissidents' homes were raided, and they were taken to a State Security office.

Sanchez Santa Cruz is the top leader of the Cuban Human Rights and National Reconciliation Committee, Abi Cobas heads the Cuban Party for Human Rights [Partido Cubano Pro Derechos Humanos], and Jerez heads the Marti Committee for Human Rights [Comite Martiano Pro Derechos Humanos]. These three groups are outlawed in Cuba.

*** Resource Management at Some Enterprises Faulted**
32480193 Havana TRABAJADORES in Spanish 15 Jun 89 p 2

[Article by Jose Yanos]

[Text] Does the political will exist to control resources? This very serious question was asked by a member of the presidency of the plenum to review the introduction of the system for keeping track of resources in the warehouses in La Habana del Este Municipality. It was asked after observing the attitudes of and the results obtained by some of the principal enterprises of that region.

We are referring to the enterprises of Van Troi, a shoe manufacturer, and Autoimport, which manages warehouses carrying spare parts for Ladas and other vehicles widely found throughout the country.

In the case of Van Troi, the most serious situation exists in the leather warehouse. Among other problems, according to investigations, it was not clearly defined who was authorized to remove the raw materials (read leather). In addition, there was a lack of security and responsibility with regard to the materials.

The director admitted to these errors and in defense said only that it was indeed clearly defined, "however, it wasn't complied with."

No big deal!

In addition, he promised to have resolved the problems by 15 days after the plenum. Many of us were surprised by this, since resolving the situation entailed doing a complete inventory of the warehouse which contained 2000 items.

On the other hand—and even supposing it could be done—how is it possible that, if the problem cound be solved in 15 days, a year and a half (the period since implementation of the system) went by without the problem being solved?

In the case of Autoimport, several of its warehouses for spare parts did not have an inventory and more than 70 percent of the accounts for 10 percent of the merchandise were in error. These are the reasons why the workers, understandably, refuse to accept responsibility for the material.

The director had no answer to the question regarding the quantity of missing merchandise.

Autoimport said that the inventory problem would be resolved by 1990. But the general feeling was that the situation in this enterprise will not be tolerated until 1990.

In view of these realities, it is not difficult to see the origin of so many of the resources which are trafficked in the country, in a flagrant attack on the country's economy and the worker's morality.

"Control is not optional," the above-cited director said in reference to these cases.

In an audit prior to the plenum, the representative of the Ministry of Light Industry, the organ which supervises Van Troi, called the situation at the enterprise "unacceptable."

Fortunately, these cases clearly do not represent the majority, as was the case 2 years ago.

In Habana del Este municipality it was found that the system had been introduced in 85 percent of the warehouses in this region, which was considered acceptable.

However, after attending the six provincial plenums to review the systems implemented so far, and now the one in this municipality (it is the first in the City of Havana, and is discussed in this manner because of its size) one comes to realize that there are enterprises which, citing certain reasons and justifications, simply do not comply with the implementation of the system. Unfortunately, these enterprises are numerous and significant.

An example of this was the case of the Wholesale Enterprise of Industrial Products in Matanzas.

Thus, however unwillingly, the question arises: Do people possess the political will to control the noble and scarce products which they manage? Can they realistically believe that this duty is optional or a transitory commitment?

Caricom

Caricom, Venezuela Issue Final Communique

FL0708142189 Bridgetown CANA in English
2025 GMT 6 Aug 89

[All quotation marks as received]

[Text] Mount Irvine Bay, Tobago, August 6, CANA—To follow is the final communique issued Sunday following talks in Tobago between Venezuelan President Carlos Andres Perez and Prime Minister Erskine Sandiford of Barbados, Guyana's President Desmond Hoyte, St. Vincent and the Grenadines Prime Minister James Mitchell, Jamaican leader Michael Manley, and Trinidad and Tobago Prime Minister A.N.R. Robinson.

In an atmosphere of frankness and cordiality indicative of the deepening of friendship and cooperation between Caricom member states and Venezuela, the leaders reviewed regional and international developments and trends.

"Recent initiatives taken within Caricom to deepen the integration movement, in particular the success of Caricom efforts to stimulate intra-regional trade, were discussed as were the specific proposals contained in the Grand Anse Declaration and Work Programme for the Advancement of the Integration Movement adopted at the tenth meeting of the conference of heads of government of the Caricom community which was held in Grenada in early July 1989.

"The leaders noted with satisfaction that Barbados, Trinidad and Tobago, and Venezuela were on the verge of signing an agreement providing for Venezuela participation in the Caribbean Air Cargo Company (Caricargo).

"The leaders stressed the importance of increased collaboration and co-operation between Caricom countries and Latin America in order to improve the material condition of all their peoples.

"In this regard, they called for the strengthening of the integration movements of the region and greater efforts towards regional collective self-reliance in order to respond more effectively to the changes occuring in the international economic environment and in particular the globalisation of the world economy; the new direction of development assistance and investment flows to the detriment of Latin America and Caribbean countries which are faced with crushing external debt burdens; and the trend towards the formation of mega-economic groupings."

"The leaders welcomed Venezuela's request to be accorded observer status within Caricom. This the leaders viewed as a positive manifestation of Venezuela's interest in the Caribbean and undertook to pursue this matter further within the appropriate organs of the Caribbean community and Common Market taking into account requests by other states in the region to be granted similar observer status.

"In order to promote co-operation between the integration movements of the Caribbean and Latin America, they agreed to establish a working group made up of Caricom officials and officials from Venezuela and other interested Latin American countries, for the purpose of considering what type of mechanism could be put in place to ensure the achievement of the following goals:
1. Regional self-sufficency in food
2. Effective joint exploration of the mineral resources of the region
3. The development and exploitation of export potential in selected areas and development of joint marketing capabilities and strategies.
4. Increased levels of intra-regional trade
5. The sharing of technology
6. Co-operation in human resource training and development
7. The rationalisation of the communications and transport

systems of Latin America and the Caribbean

"The leaders noted the difficulty in accessing funds from the international lending agencies and the preference of developed countries for a bilateral rather than a multilateral approach to international co-operation.

"In this connection, they welcomed the proposal made by President Perez of Venezuela, President Mubarak of Egypt, President Diouf of Senegal, and Prime Minister Gandhi of India to President Mitterand, on the occasion of the bicentennial of the French Revolution, that he raise with the other group of seven members the possibility of convening a Cancun-type north/south meeting to discuss the question of international debt.

They agreed to take all appropriate diplomatic initiatives in relevant international fora, such as the forthcoming summit of the non-aligned countries in Yugoslavia and the next Commonwealth heads of government conference in Malaysia, to bring about the convening of such a conference.

"The leaders recognised the grave danger to their societies posed by the international traffic in and abuse of illegal drugs and agreed that this problem required concerted international dialogue and action for its elimination.

"The leaders agreed to support at the forthcoming session of the United Nations General Assembly, the proposal for the establishment of an international criminal

court to investigate and adjudicate on the criminal responsibility of persons engaged in drug trafficking as well as the proposal for the establishment of a United Nations multi-lateral, multi-sectoral force which would provide assistance to states, on their request, in the areas of intelligence and interdiction.

"The leaders noted the critical linkage between development and the environment and emphasised the collective responsibility of all states, developed and developing, to protect and conserve the environment, especially the most affected areas such as rain forests and oceans.

"They also noted with particular concern the need for vigilance and co-ordinated efforts to prevent the dumping of toxic and other hazardous wastes in the waters of the region or elsewhere.

"The leaders emphasised the need for increased co-operation and co-ordination so as to ensure more equitable regional representation, particularly at senior levels in international organisations and agreed on the desirability of establishing a mechanism to facilitate this.

"The leaders adopted the Tobago Declaration on Democracy in which they declared their unswerving commitment to democracy, invited all countries of the region to reaffirm their support for it, and renew their commitment to the democratic process in the interests of regional peace, security, and development.

"The leaders noted that the Central American presidents were currently meeting in Honduras in a bid to further the peace process in Central America. They expressed the hope that the consultation would lead to the full implementation of the Esquipulas II Agreement and to strengthening the process of peace and democracy in the region.

"The heads of government also held bilateral talks with President Perez.

"The leaders expressed their appreciation for the opportunity afforded them to meet and exchange views on these matters of mutual interest and for the arrangements made to facilitate their meeting by the government and people of Trinidad and Tobago.

Grenada

Utilities Minister Fires Head of Power Company

FL0708211089 Bridgetown CANA in English
1856 GMT 7 Aug 89

[Text] St George's, Grenada, Aug 7, CANA—New Grenada Public Utilities Minister Senator Ben Andrews has fired a close relative of his predecessor Dr Keith Mitchell from the head of the government-run power company.

Andrews has confirmed revoking the appointment of Denis Campbell as chairman of the board of directors of the Grenada Electricity Services (GES).

He said Campbell was a close associate and political advisor to Mitchell, who was sacked from his cabinet post three weeks ago by Prime Minister Herbert Blaize.

Andrews also indicated that Campbell would most likely have his appointment as secretary/manager of the state-run Central Water Commission (CWC) terminated shortly.

He said he had told the CWC's governing board to implement its decision to send Campbell on two months leave.

The board had agreed on the leave after Campbell returned to work at the end of June from a one month suspension.

Campbell, an executive member of Mitchell's New National Party (NNP), is also a board member of Grenada Telecommunications Limited (Grentel).

Ex-Minister Says 1983, 1989 Crises Similar

FL0808024289 Bridgetown CANA in English
1916 GMT 7 Aug 89

[Text] St George's, Grenada, Aug 7, CANA—A former attorney-general under the left-wing People's Revolutionary Government (PRG) says the political climate now existing in Grenada is similar to that in October 1983 when a group of soldiers seized power in a bloody coup killing PRG Prime Minister Maurice Bishop.

Lloyd Noel, writing in the GRENADIAN VOICE newspaper, called on Governor-General Sir Paul Scoon to intervene in the crisis since there is no "effective government" in power in the state.

"We are clearly in the middle of a crisis and from all appearences the ultimate result may very well spell disaster for Grenada," he said.

Lame duck Prime Minister Herbert Blaize has clung to power in the past three weeks at the head of a minority administration. Blaize commands the support of five of the other 15 members of the House of Representatives.

The political crisis started when Blaize sacked two ministers including Dr Keith Mitchell, the political leader of the ruling New National Party (NNP). Two other ministers resigned in protest.

Noel made out a case for Sir Paul to act in the circumstances. "...I feel that the governor-general is morally, constitutionally, and in the interest and welfare of Grenadians...(on the) whole duty bound to take an active part in what is going on in the state today, under the guise of 'his government'", he said.

"Whichever way he chooses to get involved is a matter for him to decide, but I see none or very little difference between what existed in October 1983 and July 1989 in the sense that there is no effective government in (place)," he added.

According to Noel as head of the executive authority provided for in the Constitution, Sir Paul has an inherent responsibility to do something.

When U.S. troops invaded Grenada to topple the group of soldiers that had killed Bishop, Sir Paul, who had sent the SOS for foreign help, took control of the state and appointed an interim government to run the island until general elections one year later.

Noel contended that if the "advice or warnings" given by the governor-general are not heeded then he should consider asking to be replaced.

He also rejected those who might be prepared to argue that the governor-general should not get involved in politics since as the queens representative he is above that.

"He (Sir Paul) is a creature of politics, chosen and recommended by a political party, and he can be removed by the prime minister today, even though the current prime minister does not control a majority in parliament," he said. "So let us stop being hypocrites and playing at party games with the whole country and people at stake," he added.

Officials of the opposition National Democratic Congress (NDC) say the party is preparing to table a vote of no-confidence in Blaize. NDC sources said this is the only constitutional option available to the party to bring an end to the crisis.

One official who asked not to be named dislosed that the NDC had ruled out any possibility of staging mass demonstrations to force Blaize to quit office. There is a strong possibility, he said, that the motion of no confidence would be filed with the Clerk of Parliament Curtis Strachan on Wednesday morning.

The next sitting of Parliament has been set for August 25. The official said that senior NDC officials would be meeting late on Monday to finalize the precise course of action to be taken against the Blaize government. The NDC has given the prime minister until tomorrow night to announce a date for general elections on or before November 15 or face the consequences.

Haiti

Information Ministry Confirms Military Arrests

FL0708181889 Port-au-Prince Radio Nationale in Creole 1300 GMT 4 Aug 89

[Text] The Directorate of Information of the Ministry of Information and Coordination announces that during a search made by the Investigations and Anti-Gang Service at the home of Leon Duval in the Bois Verna section of Port-au-Prince on 26 June 1989, a formal report was written up by a justice of the peace recording the following articles: a 38-caliber revolver and shells. The head of the service later discovered a large number of stamps for passports and some $17,000 in cash.

Mention of these things was purposely omitted in the written report drawn up on the occasion by the justice of the peace.

A preliminary investigation revealed that this money was distributed among the officers and the soldiers by Lieutenant Gerald Larochelle, Haitian Armed Forces [FADH].

While awaiting the conclusions of the investigation, which is going to allow them to determine the extent to which each of these men is guilty in this matter, the officers implicated—Lieutenant Gerald Larochelle, FADH; Second Lieutenant Israel Pierre-Fils, FADH; Adjutant Joseph Metellus, FADH—have been placed under arrest. The enlisted men have also been jailed.

This is a communique from the Directorate of Information of the Ministry of Information and Coordination.

Citizens on Article 291, Section Chief Elections

FL0708192889 Port-au-Prince Radio Nationale in Creole 1300 GMT 4 Aug 89

[Excerpts] [Announcer] The members of the Permanent Electoral Council [CEP] continue their tour of the central plateau. Our Mirebalais correspondent Eliezer Etienne informs us that yesterday, the CEP met with prominent townsmen at Mirebalais city hall.

[Begin Etienne recording] [passage omitted] On Thursday 3 August, at approximately 1100, the four-member CEP team headed by Dr Louis Antoine Auguste arrived in Mirebalais, where they met with many prominent figures from Mirebalais at Mirebalais city hall to discuss the elections that are to be held in Haiti soon. [passage omitted]

The CEP members spoke of elections in five stages: Casec [Administrative Councils for the Communal Sections], section chiefs, municipal elections, legislative elections, and presidential elections. They asked the gathering how they would like to see elections held.

The assembly didn't like the idea of electing section chiefs. Since the section chiefs are part of the military, the gathering (?thinks the barracks should pick them), so that when a section chief does something bad, (?he can) be punished like any other soldier. [end recording]

[Announcer] One of our reporters, Louis Seize France, also toured the area while the CEP members were there. You just got back, Louis Seize. Tell us about it.

[France] Well, at around 1130 yesterday, the CEP began a work session with prominent area figures as well as with civilian and military authorities in Mirebalais. Several points were brought up at the work session, such as whether or not elections for section chiefs can be held. The people present were more in favor of not electing the section chiefs. Also, in regard to Haitians living abroad, they asked if these people could also participate in elections. These men answered that the elections are going to be held in Haiti and not on foreign territory. If someone is interested, he should come to Haiti to vote. [paragraph as heard]

[Announcer] Who said that?

[France] The people present, the prominent figures and authorities from Mirebalais. [passage omitted] Regarding Article 291, the people present—that is, the prominent figures from Mirebalais as well as the Mirebalais civilian and military authorities—asked the CEP not to focus on the matter of Article 291, which they say has caused many problems.

The CEP told them that it has not yet gotten to the point where it needs to talk about Article 291, because it hasn't even written the electoral law yet. The CEP said that at present, it is looking to see what kind of structure needs to be set up to determine when elections can begin and how things can be done.

[Announcer] Thus it was the prominent figures from Mirebalais who asked that the CEP not focus too much on Article 291, Louis Seize?

[France] Yes. It was they who asked this. They asked for the CEP—the four members present—to not focus on Article 291, which they say has created many handicaps in past elections, especially the elections of 29 November 1987, which were spoiled.

CAMEP Refuses Comment on Aid, Shortage

FL0708184489 Port-au-Prince Radio Nationale in Creole 1300 GMT 4 Aug 89

[Text] In regard to CAMEP [Centrale Metropolitaine d'Eau Potable, the national water works for the Port-au-Prince metropolitan area], which is still providing poor service to its clients, and in regard to the shortage of drinking water in the capital, we have tried many times to contact CAMEP authorities. We have learned that several international organizations have given or lent CAMEP money, so that CAMEP could solve this problem. Just recently, the European Central Economic Bank [Caisse Centrale Economique Europeene] voted some 70,000 French francs to help CAMEP with this problem.

We tried to meet with CAMEP officials to obtain (?information) on this matter and to have a clear idea on what is happening inside CAMEP. However, CAMEP's officials refuse to receive us, although we have tried many times to see them. The only statement they would make to us was to inform us that CAMEP was an autonomous institution—implying that it was not a government institution like all the others—and grants interviews only if it wants to, adding that in any case, they could not receive us.

We can understand this. When one has nothing to say, it is better to shut one's mouth.

Reportage on 'Seventh Binational Meeting'

U.S. Delegation Arrives

PA0708151989 Mexico City Red Nacional 13 Imevision Television in Spanish 1309 GMT 7 Aug 89

[Text] Among the subjects to be discussed when Mexican and U.S. officials hold the seventh Binational Meeting are financial cooperation, narcotics, immigration, environmental issues, investments, trade, border cooperation, and cultural relations. U.S. Secretary of State James Baker heads the U.S. delegation that will begin meetings today with Mexican Government officials.

After arriving yesterday afternoon in Mexico City, James Baker met with Foreign Secretary Fernando Solana Morales at his private home. They discussed various aspects of President Carlos Salinas de Gortari's forthcoming visit to the United States, as well as the details of the seventh Binational Meeting that begins today.

In the evening, the U.S. delegation attended an official banquet hosted by Fernando Solana in the Foreign Secretariat. Other Mexican officials who will participate in the Binational Meeting also attended the banquet.

Five high-ranking U.S. Government officials, in addition to over 60 other officials, arrived yesterday in Mexico under strict security measures to attend the seventh Mexico-U.S. Binational Meeting. This reflects the U.S. interest in this meeting, and we will see how this interest is translated into action.

The normally calm Sunday traffic around the area of the Angel Monument in Paseo de la Reforma was disrupted yesterday with the arrival of the U.S. delegation that will attend the seventh Mexico-U.S. Binational Meeting. There were strict security measures since early in the morning. Persons participating in "Operation Goodwill" cordoned off the streets surrounding the U.S. Embassy and the hotel where the five cabinet officials [as heard] and over 60 U.S. Government officials will be staying. Vehicles were not allowed to enter the streets adjacent to the Paseo de la Reform. Persons walking down the street wondered what was happening, and when they found out, they stayed to watch.

Inside the hotel, there were absolutely strict security measures. CIA and FBI agents worked in coordination with the presidential general staff, the (?Zorro) groups, and the Federal Judiciary Police. Fifteen dogs trained to find explosives are being used and five helicopters are on alert. A highly-qualified medical staff is ready on the 10th floor of the hotel in the event there should be any emergency.

At about 1425, U.S. Attorney General Richard Lewis Thornburgh arrived at the hotel in a black Cadillac with diplomatic license plates. He appeared calm. Ten minutes later, Ambassador John Dimitri Negroponte left the hotel and boarded his vehicle to go to the Mexico City International Airport to welcome Secretary of State James Baker.

At 1710 motorcycles and patrols led the motorcade of four limousines bringing Secretary of State James Baker, U.S. Ambassador John Dimitri Negroponte, Secretary of Commerce Robert Mosbacher, Under Secretary of State for Inter-American Affairs Bernand Aronson, and the Administrator of Environment (William Healy). They were all carrying light baggage.

One hour later, Secretary Baker and Ambassador Negroponte went to the home of Foreign Secretary Fernando Solana. A private meeting was held there to discuss President Carlos Salinas de Gortari's forthcoming visit to the United States, as well as the details of the seventh Binational Meeting.

Salinas Meets U.S. Delegation

PA0808034189 Mexico City XHTV Television in Spanish 0214 GMT 8 Aug 89

[Report by Isabel Zamoran]

[Text] Mexican President Carlos Salinas de Gortari met this afternoon at Los Pinos [president's official residence] with U.S. Secretary of State James Baker, Secretary of the Treasury Nicholas Brady, Secretary of Commerce Robert Mosbacher, and Attorney General Richard Thornburgh. During the meeting, he discussed the main problems that surround Mexican-U.S. relations. Drug trafficking; the foreign debt; financial, commercial, and cultural relations; ecology; immigration; and legal issues, are some of those problems. According to Mexican Presidency spokesmen, the meeting was cordial.

During the meeting, Mr Baker, head of the U.S. delegation comprised of a majority of the Bush cabinet, said that he believes that Mexico's renegotiation of its debt opened new paths for solving this problem that is affecting the international community. Mr Baker also praised what he described as brave political and economic changes made by President Salinas de Gortari during his 8 months in office. It was raining very hard when Mr Baker and the members of the U.S. delegation arrived in Los Pinos at 1400, and Mr Baker commented on the intense downpour in a city like Mexico City which is located on a high plateau. President Salinas de Gortari told his U.S. guests that this will be a bad year for agriculture in Mexico, because even though there has been much rain, it came too late.

President Salinas de Gortari also commented on Mr Brady's concern for the environmental problems experienced by the world. He said that relations between Mexico and the United States are good because they are no longer talking about the debt and can now talk about environmental problems.

Following the meeting, Baker, Brady, Mosbacher, and Thornburgh were invited to a lunch during which they were offered cheese, chicken breast a la champagne, salad, nut cake, local wines, and coffee. While having coffee, the plan for President Salinas de Gortari's visit to Washington on 3-4 October was drafted.

Meeting Ends; Documents Signed

PA0808044689 Madrid EFE in Spanish 0324 GMT 8 Aug 89

[Excerpt] Mexico City, 7 Aug (EFE)—The seventh Binational Mexican-U.S. Meeting ended here today with the signing of six documents on border issues of a secondary nature.

Other matters announced as being of greater importance in the talks, such as the struggle against drug trafficking and drug use, as well as trade and immigration were not subjects of agreements despite the presence of important officials who are experts in these fields.

At a news conference at the end of the meeting, Mexican Foreign Secretary Fernando Solana and U.S. Secretary of State James Baker praised the rapprochement between the two administrations and the progress made on the agenda to be discussed during Mexican President Carlos Salinas de Gortari's visit to Washington on 3 October.

Concerning drug trafficking, the Mexican delegation stressed the importance of the U.S. recognition of the high rate of drug use in that country—60 percent of the world's consumption—and the measures that U.S. authorities have promised to take to reduce this figure.

Mexican officials emphasized that, according to Mexican law, "money laundering" from drugs is a crime only as far as tax evasion is concerned and that the extradition of drug criminals must abide by general agreements on crime between the two countries.

With regard to trade matters within the framework of the macroeconomic agreement between Mexico and the United States, progress was made on an agreement on copyrights and another on textiles which Salinas and U.S. President George Bush will probably sign in October.

Other agreements that were signed involved the construction of several projects on the border, the environment, tariff exemptions for international ships and aircraft traffic operations, and tourist investments.

Baker and Solana conceded that they discussed the Central American situation and admitted that they have differing views on it, but gave no details. [passage omitted]

Foreign Secretary on Meeting

PA0708212489 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 7 Aug 89

[Excerpt] The seventh U.S.-Mexican meeting has opened here in Mexico City. Upon inaugurating the seventh U.S.-Mexican Binational Meeting, Mexican Foreign Secretary Fernando Solana asserted that Mexico is not trying to get alms but to increase productivity, to be more competitive, and to have access to equitable conditions of the world's most important market—the United States.

Before U.S. Secretary of State James Baker, who heads the delegation of close to 30 officials of George Bush's administration, Solana reiterated that Mexico wants a worthy and respectful but fundamentally just relationship with the United States .

[Begin Solana recording] We want to be better and better friends with the United States but never at the expense of the values that determine our essence and nationhood. This is the basis of our international conduct. The best support for a lasting friendship lies in the recognition of and respect for the mutual differences, to which you referred yesterday, Mr Secretary Baker. [end recording]

(?Previously), the Mexican foreign secretary said that within the 10 priority points to be discussed, it will be agreed that the two nations will set up permanent mechanisms for a bilateral dialogue.

[Begin Solana recording] By agreement between the two delegations, the agenda will be divided for analysis into 10 basic topics: political affairs, border cooperation, environment, immigration, financial cooperation, commerce, investments, tourism, legal affairs, and cultural affairs. [end recording]

Solana stressed that President Carlos Salinas de Gortari, who will meet with George Bush in October, attaches particular importance to this seventh Binational Meeting and to maintaining a good relationship as well as increasing bilateral understanding and cooperation. [passage omitted]

Salinas de Gortari on Economic Stability, Growth

PA0508131189 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 4 Aug 89

[Report by Raul Rodriguez on speech by President Carlos Salinas de Gortari to inaugurate the fifth National Banking meeting in Monterrey on 4 August—passages within quotation marks recorded]

[Text] President Carlos Salinas de Gortari, inaugurating the fifth National Banking meeting in Monterrey, said that strong measures will be taken to avoid imbalances

or inflation. Salinas de Gortari's statements were of general interest. The president said today that the government will take strong measures to permanently stabilize our economy, casting aside weakness and negligence. His clear objectives were evident in his evaluation of the progress made; he discussed goals and warned of risks.

[Salinas de Gortari] "We must be particularly careful in the future, so that economic growth does not lead to new imbalances or to the return of inflation. The government will take strong measures to achieve a sustained economic stabilization—about this there should be no doubt. We will act with strict fiscal discipline. Within this framework, we will always take care of the people's most urgent needs."

The president expressed his belief that the debt renegotiation does indeed allow for an economic recovery, but he noted that only the people's hard work can ensure sustained growth.

[Salinas de Gortari] "As in all negotiations, as in all foreign or domestic agreements, the results are proved in practice and not by theories. We must resort to negotiations to delineate our future actions and to channel our hopes."

President Salinas de Gortari said that the people's desire for less frustration, more opportunities, and more jobs come in the wake of the enormous effort to stabilize the economy, and that striving to meet these demands should not harm progress made toward a permanent economic recovery. In that regard, he said that Mexicans should increasingly finance domestic development. Stability alone is not sufficient for growth; we need resources, which must come from greater domestic savings. He therefore recommended an in-depth reorganization of national banks and the elimination of excess regulations, thereby laying the groundwork for promoting security and respect for savers and investors.

[Salinas de Gortari] "We will take steps one at a time, without haste or hesitation. We will transform the country's financial system into a great instrument for achieving our social goals for coexistence. The opening of new horizons and opportunities for all will be based on a prosperous economy. Our journey along this road does not allow weakness or negligence."

The president asserted that a firm position will be maintained regarding the nation's economic policy and the Economic Growth and Stability Pact [PECE].

[Salinas de Gortari] "We must always remember that progress and victory only count when they are permanent, when they endure for the benefit of our fellow countrymen's welfare. That is why we will maintain a firm position regarding our economic policy and the PECE. There is much at stake here. Great efforts have been made. We will win this battle because there is hope. No one doubts the genuine desire of the Mexican people and of all groups and individuals to make progress. We know that together we will make progress."

Aspe Reports on Debt Renegotiation to Congress

PA0508171189 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 3 Aug 89

[Report by Jesus Garces on statements by Pedro Aspe Armella, finance and public credit secretary, before Congress in Mexico City on 2 August]

[Text] Pedro Aspe Armella, finance and public credit secretary, yesterday appeared before the Congress Permanent Commission. He explained that President Salinas de Gortari was successful in getting the four points he had submitted for the debt renegotiations approved. The international banks agreed to the following points: a reduction in the accumulated debt; a decrease in the flight of capital abroad; a reduction in the debt to correspond with the GNP; and the granting of additional foreign loans. Aspe Armella said that over the next 4 years, Mexico's GNP will grow from 5 to 6 percent.

[Begin Aspe recording] The results achieved regarding structural changes and stabilization demonstrate that there is international recognition of Mexico's economic strategy. These changes were fundamental in enabling us to reach an adequate renegotiation of the foreign debt. Our strategy and adherence to fiscal goals and policies outlined in the 1989-1994 National Development Plan will help reduce inflation and will lead to a recovery phase for investments in production. The economy will therefore enter a new phase of development.

The government's economic plan is based on the fundamental idea that the foreign debt renegotiations will succeed and that net transfer of money abroad will decrease to the desired level. Measures for fiscal discipline contained in the plan are compatible with a reduced flight of capital abroad and will lead to a lower inflation rate, the promotion of investment, and reinforcement for the government's efforts in such priority areas as education, health, security, and housing. This effort will allow a moderate growth rate in 1989 and a 5-6 percent growth rate in 1992 and 1993. This will generate the necessary jobs for the growing number of Mexicans entering the labor force each year.

We must not think that the renegotiation will lead to an overall increase in public spending. However, it is possible to allocate funds already included in the government's budget to crucial areas for the benefit of low-income groups. Without the renegotiation, we would not have been able to do this; instead, we would have made additional fiscal adjustments. [end recording]

Aspe Armella explained that internal savings must increase and that investment in production must gradually increase. He said that this entails continuing monetary fiscal discipline and promoting private savings

through the modernization of the country's financial system. Regarding steps Mexico will take regarding the price of oil, the finance and public credit secretary said that our country has the necessary external resources to finance its development, even if there is a drop in the price of oil. He added that in the years ahead, if the price of a barrel of oil goes below $10, a group of commercial banks, the World Bank, and the IMF would contribute up to $800 million to compensate for the drop.

In reply to a question asked during the hearing, he said that the past foreign debt renegotiation does not represent a panacea or a magic wand that will solve our problems. However, it does represent an excellent opportunity to make progress. He said that Mexico chose to undertake a firm, intense, and sometimes unpleasant renegotiation. However, Mexico's renegotiation has achieved something that no other developing country has achieved before. Aspe Armella mentioned that the 16 countries that have declared a moratorium on their foreign debts experienced substantial flights of capital and uncontrollable currency devaluations. He said that foreign credit lines and commercial support for those countries were immediately cut off. Moreover, those countries domestic and foreign problems led to stagnation, recession, and hyperinflation.

Labor Leader on Debt Renegotiation, Pay Increase
PA0408170089 Mexico City El NACIONAL in Spanish 28 Jul 89 p 6

[Report by Jose Luis Aguilar]

[Text] Confederation of Mexican Workers (CTM) leader Fidel Velazquez said that the debt renegotiation must not serve as an excuse to demand special wage increases. A wage increase would harm the economic pact and would increase inflation.

Fidel Velazquez said this yesterday during an interview following the inauguration of the 43d Regular National Council of the National Union of Sugar Industry and Related Industries of Mexico.

A few minutes before Mexican President Carlos Salinas de Gortari's arrival at the CTM's auditorium, Velazquez said that a wage increase request is not advisable at present and much less if it is a request for a general wage increase.

Velazquez said that it is likely that in the short, medium, or long term, the debt renegotiation—allowing our country to save $20 billion—will lead to an improvement of the Mexican workers standard of living.

Velazquez called the debt renegotiation positive and said that it will benefit our country.

Regarding the possibility of establishing diplomatic relations with the Vatican, Velazquez said that this matter should be addressed by the government, not by the workers. He said, however, that workers regard the upcoming papal visit to Mexico with respect and pleasure.

Speaking about the labor problems of the sugar industry workers, Velazquez said that they must solve their own problems with complete autonomy.

Costa Rica

President Arias Discusses Tela Summit Results

PA0808041689 San Jose Radio Reloj in Spanish 0203 GMT 8 Aug 89

[News conference held by President Oscar Arias with unidentified reporters at San Jose's Juan Santamaria International Airport on arrival from the Central American summit held in Honduras—live]

[Excerpts] [Arias] Dear friends, I am very happy to be back in Costa Rica and very pleased and happy over the results of the meeting in Tela, Honduras. [passage omitted]

I am very pleased because we have taken new steps on the road to democracy and peace in Central America, where we live. There have been very interesting developments. For the first time, we, the five presidents, have met, although one of us was not one of the signers of the Costa Rican peace plan of 2 years ago. Yet, because of the dynamics we have created, each meeting of presidents produces very positive things. [passage omitted]

On this occasion, we arrived at the summit after the Sandinist Government had signed an agreement with the Nicaraguan political opposition and after things had occurred which we had not been able to achieve in 2 years. This was largely due to our initiative of persuading President Ortega that the dialogue [words indistinct] and that it was important that he meet with his country's opposition.

Regarding El Salvador, we introduced an important section in the resolution in which we urge, we beseech, the FMLN [Farabundo Marti National Liberation Front] to sit down and negotiate with President Cristiani's government. I feel that the path that is being opened looks... [changes thought] that it will indeed be a very thorny path for the fraternal countries that have suffered so much. However, well, we will have a Salvadoran Sapoa very soon. I feel that even though there are many obstacles we will soon see the guerrilla commanders talking with the leaders of President Cristiani's administration.

We have been very patient in the past in our efforts to lead the contras to sit down and negotiate with President Ortega's Sandinist Government. We have to be equally patient this time because these are not easy matters. I have said very often that it is easy to start a war but that it is very difficult to achieve peace. [passage omitted] I want to tell you what has again been demonstrated in this case is that diplomacy is the path to follow. I remember when I went to the U.S. Congress to tell the congressmen that we should give diplomacy a chance, and I think that today we have reasserted, 2 years after the signing of the Costa Rica peace plan, that we are not afraid of diplomacy; that we are convinced that it is the only logical, rational, intelligent, and sensible path we must tread.

We are demonstrating to the world through the Tela agreement that we are not afraid diplomacy will fail. On the contrary, we have more faith, confidence, hope, and optimism that the negotiation and the dialogue will succeed.

So, I have returned very happy this time. The truth is that we have managed to establish very important contacts and, once more, the Central American peoples are demonstrating to the world that war is not a solution and that dialogue is the only answer we have at hand to settle our conflicts. [passage omitted]

When I attend these meetings, I sometimes feel like a simple observer. I would not like to trade places with my colleagues. Costa Rica participates to help bring about conciliation, harmony, and consensus—to serve as a bridge. The other countries are anguished by suits at international tribunals and have—as one of my Central American colleagues pointed out very graphically—a gun pointed at their necks that could go off at any moment. Those countries are unable to meet the needs of their people because of war.

In my opinion, Costa Rica plays a very important role: trying to bring about harmony. I believe that with the Tela declaration, we have once again managed to come up with positive results that lead toward more democracy, freedom, and peace in the region.

Which is Central America's main problem? I do not know the answer to that question. I am very pleased that for the first time we had an in-depth discussion about the Salvadoran crisis; that to a certain extent, we urged the FMLN to do as the Nicaraguan contras did in the past—sit down and negotiate with the government. I foresee a Salvadoran version of the Sapoa summit in El Salvador in the near future.

The truth is, we have established a mechanism to demobilize the FMLN that is very similar to the one to demobilize the contras. We hope to find receptivity to this idea. I warn you that this will be no easy task. We have waited so long to silence the machineguns in Nicaragua and see the opening of an electoral process that allows Nicaraguans to freely choose their rulers that we cannot expect to see the same developments take place in El Salvador in a matter of a few days, weeks, or months.

However, why leave for tomorrow what we can do today? The truth is that the Salvadoran people cannot spend 5 more years, that is, the length of President Cristiani's term, trying to solve this problem at the negotiation table. I believe that we must start this process now at the beginning of his administration, rather than at the end. I do not want Central America to become a region torn by war, terrorism, and violence as has been the case with so many other peoples. Central America cannot become the American Continent's Ireland; it cannot become the American Continent's Spain,

which has been affected so much by terrorism for so many decades; it cannot be a Colombia, which has been affected so much by terrorism and violence for so many decades; it cannot be the American Continent's Middle East, and so on.

In sum, I believe that this idea is finally taking root and that is why there are always positive developments during these meetings. I believe that Costa Rica has great moral strength, which it owes to all our people. [passage omitted]

[Reporter] Several of the Central American presidents are about to end their term in office. When are you going to meet again?

[Arias] We have decided that it will be necessary for us to meet before the end of the year. [passage omitted]

To answer your question, the five presidents will meet to discuss a report that will be submitted by the OAS and UN commission before the end of the year. Therefore, we should be meeting sometime after 7 December in Managua, Nicaragua. [passage omitted]

[Reporter] Mr President, how do you and your colleagues feel the United States will react to these agreements?

[Arias] I have heard of no reaction to the agreements. They were only signed a little while ago. However, I hope the reaction will be favorable because who cannot but feel pleased, happy, and proud, of the fact that we have made progress toward peace in Central America? Who cannot but feel pleased about the positive steps taken by Nicaragua and El Salvador to strengthen democracy and end violence, and for the parties in conflict to sit down and talk? I truly believe that most of the world will be very pleased and proud with the results of the Tela meeting.

[Reporter] Mr President, what new steps were taken during this meeting in addition to urging the Salvadoran and Nicaraguan unconventional forces to demobilize?

[Arias] Even for those of us who have never experienced violence, establishing a mechanism and a procedure for the man who is up in arms to lay down his machinegun and join in his country's political life is something very important. What we agreed on will apply equally to Nicaragua and El Salvador, and I believe we have opened a new path. From now on there will be no excuse to say that there is no political resolve on the part of the Central American presidents to encourage the rebels to lay down their weapons and choose the path of the ballot box.

President Daniel Ortega's government is included in the call we have made to the FMLN, because as we all know, the Nicaraguan Government has been very close to the Salvadoran rebel front; they have much in common. However, President Ortega has signed the Tela document that urges these people to choose the path of dialogue rather than the path of weapons. I do believe this is very important and very valuable.

[Reporter] Thank you Mr President.

El Salvador

Cristiani on Ortega's Promise To Stop Rebel Aid

PA0808043089 San Salvador Canal Doce Television in Spanish 0316 GMT 8 Aug 89

[Interview with President Alfredo Cristiani by unidentified reporters on 7 August upon arrival from Tela, Honduras; place not given—recorded]

[Text] [Cristiani] For the first time President Daniel Ortega has publicly admitted that they were supporting the FMLN [Farabundo Marti National Liberation Front]. However, he said that in light of this new situation, this new plan, he will stop this and will work on encouraging the FMLN to find a solution to the conflict and join the democratic process. We hope that now that he has admitted this in front of all the presidents, that he will abide by the Esquipulas agreement and refrain from helping the FMLN.

[Reporter] It had been said earlier that during the meeting in Honduras you would present proof that Nicaragua was helping the rebels. Only recently weapons were found in Honduras that corroborate this fact. Did you present the proof or did you only broach this issue superficially?

[Cristiani] There was no need to present the proof. Ortega admitted that he was helping the FMLN and this was proof enough. During the meeting we did say that we did not agree with the fact that he was not abiding by the agreements and that he was helping the FMLN. However, on this occasion he openly admitted Nicaragua's support for the FMLN and I hope that he will now keep his word and stop supporting the FMLN.

Cristiani, FMLN Pleased With Summit Results

PA0808050189 Paris AFP in Spanish 0426 GMT 8 Aug 89

[Text] San Salvador, 7 Aug (AFP)—Salvadoran President Alfredo Cristiani has described the Central American presidential summit held in Tela, Honduras as "successful." During the summit, the presidents agreed, among other things, on the demobilization of the Nicaraguan contras and urged the Salvadoran guerrillas to agree to a dialogue.

Meanwhile, the Farabundo Marti National Liberation Front (FMLN) today described the results of the summit as a "triumph" because "it ratified, before the whole world, the popular and national liberation nature of our struggle."

Upon arrival this evening at the military airport, located on the outskirts of San Salvador, Cristiani made brief statements to the press during which he stressed that for the first time the Salvadoran internal problem was discussed during a summit.

The president said that the other Central American countries supported "the voluntary demobilization of the FMLN rebels" and that the Salvadoran issue was broached "in a direct and specific manner and not like in the past where it was mentioned when the armed movements were being discussed."

According to Cristiani, the presidents have asked the rebels to declare a cease-fire prior to the talks aimed at achieving peace.

During the summit, the FMLN presented a letter to the presidents of the area. The letter was delivered by Nicaraguan President Daniel Ortega. In it the FMLN expressed its willingness to sit down and talk immediately, a decision the Salvadoran president this evening described as positive "because it would allow, in the short term, an end to hostilities and a way to find a final solution to the conflict."

Cristiani said that Ortega "officially accepted that he had been helping the FMLN" and stressed that following the signing of the Tela document Ortega had committed himself to "stop helping the FMLN" and to try and "encourage" the Salvadoran rebels to "join the democratic pacification process in El Salvador."

In conclusion, the Salvadoran president reiterated that his government is willing to begin talks aimed at ending the 9 years of war; however, he believes it will be necessary to establish a mechanism to carry out the talks.

Meanwhile, the FMLN, in its first commentary released on Radio Venceremos, has proclaimed that the results of today's summit in Tela, Honduras, are a triumph for Nicaragua and the Salvadoran rebels.

"There are no similarities between the contras and the FMLN; this has been reiterated by the Central American presidents...the only ones who will be demobilized here are the counterrevolutionary armed forces, the mercenary death squads," the FMLN stressed.

"Our fighters" ,the Salvadoran rebels add, "should feel proud because today the popular, national, and liberationist nature of our struggle has been confirmed to the entire world... there are no parallels. The FMLN is a native force with deep historic roots."

"FMLN fighter, the victory you have achieved with the Central American people confirms that we are entitled to self-determination, to forge our own future without the CIA's meddling...," the clandestine radio station pointed out in a message to members of the rebel organization.

Radio Venceremos Gives FMLN Weekly Roundup

PA0808014689 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Aug 89

[Text] During the past week the Farabundo Marti National Liberation Front [FMLN] inflicted 252 casualties on the Army, including 3 officers, 1 pilot, 1 copilot, 1 section leader [jefe de seccion], and 3 radio operators.

During the same period we seized from the Army a .50-caliber machinegun, 2 M-60 machineguns, 29 rifles, 6,300 cartridges of various calibers, and 23 knapsacks.

FMLN actions along the roads included three ambushes on military vehicles.

We received a report from Suchitoto on the downing of a UH-1N helicopter, and another from San Pedro Nonualco on the downing of a Hughes-500 helicopter. In addition, a UH-1H helicopter was damaged along the coastal road in Usulutan Department, as well as an 0-2 light aircraft in San Pedro Nonualco.

Approximately 42 poles holding main and secondary power lines were damaged in various parts of the country. A railroad bridge was also a target of our sabotage actions against the war economy during the past week.

Nicaragua

Ortega Says 'Death Sentence' Given to Contras

PA0808015289 Managua Radio Sandino in Spanish 0052 GMT 8 Aug 89

[Speech by President Daniel Ortega Saavedra at Augusto Cesar Sandino International Airport in Managua upon returning from Tela, Honduras—live]

[Text] Good evening, Nicaraguan brothers:

This afternoon, we concluded a historic event in Honduras. Today, right there in Honduras, in the territory and the country where the United States organized and developed the counterrevolution, the Central American presidents signed what we can describe as the death sentence of the counterrevolution as an aggressive terrorist force. We are thus giving an opportunity to all Nicaraguans who became involved in these activities; we are giving them a chance to join our national life.

We approved a plan to pull the contras out. This is the so-called demobilization plan which involves a 90-day deadline. According to this plan, 30 days immediately after the signing of the [Tela] document, an international verification commission must be formed with UN and OAS help.

This plan also explains in some detail the way in which the contra demobilization will be carried out. This document was approved after many talks and discussions in which U.S. Government pressure was always present.

We have reports that the U.S. Government exerted direct or indirect pressure on the Central American presidents so that the document would not be signed. However, the Central American presidents' responsibility toward their peoples outweighed these efforts and we signed the document binding the Honduran and the other Central American governments to actively work to pull out the contras from Honduran territory.

We also reached an agreement with Honduras. According to this agreement, the suit that Nicaragua filed at the International Court of Justice [ICJ] will be withdrawn when the United Nations or [words indistinct] certify, verify, confirm, and attest that the contra demobilization plan has been achieved 100 percent.

This was an issue that prompted much discussion. I would say that it was the point that we discussed the most. It was 1400 today and Honduras and Nicaragua still could not reach an agreement on this point. Although I found the Honduran president and the Honduran military officers to be most receptive and flexible, whenever the experts began discussing the document, our positions would clash, thus obstructing the signing of all the other documents.

But we finally reached an agreement. In this way, Nicaragua continues to defend international law and the right to resort to the ICJ whenever it feels advisable, and we expressed our willingness to withdraw the suit, reaching an out-of-court settlement with Honduras as soon as it is clearly certified that the demobilization plan has been fulfilled.

Another very important issue that we discussed at this meeting—and I would say that we did not discuss it at length—pertained to El Salvador. Our aim was not—and this was made very clear—our aim was not to demand that the Salvadoran revolutionary movement surrender. We simply tried to find a way to help the Salvadoran Government, the FMLN [Farabundo Marti National Liberation Front], and the other political forces in El Salvador start a (?general) negotiating process [words indistinct] within the framework of point 2 of the Esquipulas Accord. This is clearly specified in the point dedicated to El Salvador. Although we even used the term demobilization in that point, this does not run counter to the will of the Salvadoran revolutionaries to seek a peaceful negotiated solution to the Salvadoran conflict. The FMLN has clearly stated that they are no war lovers, that it took up arms because it had no other option. However, the FMLN advocates a negotiated solution.

Before leaving Managua for Honduras, I met with FMLN leaders who handed me a letter and I, in turn, handed it to the other Central American presidents. In that letter, the FMLN demands a dialogue with the Salvadoran Government—a genuine dialogue, a dialogue [words indistinct] to discuss the Salvadoran problem and bring about a solution to the Salvadoran conflict through negotiation. That in sum is what we touched on in the point pertaining to El Salvador.

We also expressed our views on other issues such as the struggle against drug trafficking. We instructed the foreign ministers to create control mechanisms for political and human rights issues about which Nicaragua has made very specific and well-known proposals. The Central American presidents also voiced their determination to meet in Nicaragua this year. There is as yet no date; it could be in November or December 1989.

We are very pleased for having fulfilled our duty in representing the Nicaraguan people at this Central American presidential summit and at having achieved significant progress in favor of peace, which the Nicaraguan people have been asking for and demanding, the peace for which the Nicaraguan people have shed blood, the peace for which peasants, laborers, and youths have taken on defense duties to defend the Nicaraguan's right to peace and life. I would say that we can now claim that we are standing at the doorstep of total peace. However, we cannot neglect the country's defense; we cannot lower our guard as long as we have not secured the contras' total demobilization from Honduran territory.

I take advantage of this opportunity to urge the U.S. Government and the U.S. President to support the peace accords; that it be consistent with its position of consolidating peace and democracy in Central America; that they end the aggression against Nicaragua; that they lift the embargo against Nicaragua; that they actually seek an understanding with Nicaragua.

In so doing, the United States would be effectively contributing to achieving peace with Nicaragua and peace in the Central American region. Thank you very much.

Opposition Reacts 'Cautiously' to Tela Agreements

PA0808032689 Panama City ACAN in Spanish 0104 GMT 8 Aug 89

[Text] Managua, 7 Aug (ACAN-EFE)—The Nicaraguan opposition has reacted with caution and distrust to the results of the summit of Central American presidents who reached an agreement today on the "demobilization" of the "contras" from Honduras within 90 days.

National Opposition Union [UNO] leaders consulted with by ACAN-EFE agreed on stressing their fear of President Daniel Ortega's "new promises" to democratize that country in exchange for the disbanding of the contras.

After 3 days of meetings in Tela, on Honduras' Caribbean coast, the Central American presidents today agreed that the counterrevolution must turn over its weapons prior to 8 December, and that its fighters and families can choose between returning to Nicaragua or going to a third country before that date.

Armando Guadamuz Rosales of the Democratic Party of National Confidence, a party with Social Christian leanings, said that the plan's implementation "is yet to be seen."

"The Sandinists have shown to the world that they do not keep their promises," he noted, referring to the agreement signed by Ortega in which he agreed "to strengthen the national reconciliation and democratization" of Nicaragua.

Guadamuz stated that "Ortega is rather more interested" in getting the Nicaraguan Resistance "off his back" than in fulfilling the commitments made in the various meetings of Central American leaders.

In the mid-February meeting held in El Salvador, the Nicaraguan president vowed to democratize Nicaragua in exchange for the disbanding of 12,000 contras.

Guadamuz said that he is afraid that the government "will not comply with the prisoners' release and will not keep other democratic promises," while forcing the rebels to put down their weapons.

Jaime Bonilla, vice president of the Independent Liberal Party, said that although the Tela agreement is an "advance," he is afraid that the deadlines to demobilize the contras and democratize Nicaragua will drag on so long that they "will clash with reality."

Bonilla added that the Nicaraguan opposition will continue to make the following demands from the government: total amnesty, authorization for a private television channel, and a reduction in military spending, which has caused "the crisis that is smothering" Nicaragua.

However, the liberal leader noted that if the government keeps its promises, "there may be bigger changes and this will bring about more trust" in Nicaragua.

Bonilla was one of five members of the UNO commission—UNO being the main opposition bloc consisting of 14 parties—that recently negotiated legal and political guarantees with the government for the February 1990 elections.

At the meeting with the UNO commission, held on the eve of the presidential summit, Ortega promised to suspend the military draft during the electoral campaign, abolish the Public Order Law, and advance the date for turning over power if the opposition wins the elections.

Panama

Opposition Comments on Bush Telephone Call

PA0808042089 Panama City ACAN in Spanish 2319 GMT 7 Aug 89

[Text] Panama City, 9 Aug (ACAN-EFE)—U.S. President George Bush today told Panamanian opposition leader Guillermo Endara that he feels for the Panama Defense Forces [FDP] "all the respect they deserve" and that he "supports the Panamanian people in their struggle for liberation."

According to an opposition communique, Bush phoned Endara today and assured him that "the U.S. Government does not want to harm the Panamanian people or the FDP, as an institution or as persons."

The communique does not mention General Manuel Antonio Noriega, FDP commander and Panama's "strongman" since 1983, whose withdrawal has been repeatedly demanded by the opposition and the United States, as well.

The communique added that, during the 18-minute telephone conversation, Bush also expressed "satisfaction about the respectful way in which the OAS-sponsored dialogue is being conducted" among the government, the opposition, and the FDP.

According to the opposition, Bush called Endara "to basically talk to him about the efforts that the OAS is making to find a solution to Panama's political problem."

The communique added: "President Bush said that he is following the OAS discussions very closely and noted that he is very pleased about the respectful way in which the dialogue is being conducted." He said that he will remain alert to these negotiations "from his summer home in Maine where he will travel shortly."

The opposition also stated that Bush congratulated Endara for the way in which the opposition "has continued its struggle for democracy" and for its proposal to hold a plebiscite on 20 August to vote on the various formulas to solve the crisis presented in the dialogue by the parties in conflict.

According to Endara, these formulas are "irreconcilable" and, he feels, the best way would be for the Panamanian people to decide which formula they prefer at the polls.

The government has not yet officially rejected the plebiscite proposal, but several regime leaders have said that it is impossible to hold one because the Constitution does not contemplate this mechanism and because of the country's crisis, particularly the confrontation with the United States.

The opposition continues to claim victory in the 7 May elections, which were subsequently annulled, and insists on Noriega's withdrawal, points rejected by government sectors.

Meanwhile, the military and the government insist that no political agreement will be possible in Panama unless the U.S. economic and military "aggression" ends first.

Ecuadoran Foreign Minister Diego Cordovez stressed that no "specific progress" has been made in the dialogue because the parties are merely explaining their positions without going into "a specific discussion of solution formulas."

In addition, Cordovez deplored the suspension of the dialogue on 4 August and postponed until 10 August because Ricardo Arias and Guillermo Ford, two main opposition leaders, began a consultation tour of Venezuela, Peru, and Colombia.

Cordovez Leaves for Ecuador; No Return Planned

PA0808050389 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Aug 89

[Text] Ecuadoran Foreign Minister Diego Cordovez has stated that the mission of OAS foreign ministers does not plan to return to Panama until concrete steps have been taken.

[Begin recording] [Cordovez] I feel, as I had the opportunity to discuss with you, that something historic has been achieved during this visit, that Panamanians have already assumed the responsibility for solving this problem, because a dialogue has been established in which they are fully discussing all the points they consider pertinent.

A self-convening mechanism has already been established in the dialogue for the talks to have continuity. Therefore, I personally do not see any need for us to return. However, since the three sectors made a request and the request was accepted by the meeting of [OAS] foreign ministers, what I said during the talks we held on Friday is that if there is some progress, if some advance has been made with regard to certain positions—and I do not see yet any tangible progress in the talks [leaves thought unfinished]. An assertion and reassertion of positions is very useful, but there has been no shift toward a specific discussion of formulas for solution.

If this stage is reached, and the assistance of the mission is required, then I do not think we will have the slightest objection to returning. However, as I said, the dialogue is functioning by itself already. Therefore, at this moment I do not see any indispensable need for us to be present in Panama.

[Reporter] What is your opinion of the plebiscite proposed by the ADOC [Civic Democratic Opposition Alliance]?

[Cordovez] I believe the proposal has been published. I think there is something valid in all of these proposals. It is a desire, an intention, to solve the problem. What I would wish—and I told this to the negotiators on Friday—is that the viability was more intensely analyzed in each case. There is little time left. Someone estimated that there are only some 16 or 17 working days left until 1 September and, as you have seen, regretfully, new interruptions take place in the dialogue even though [the sides] have committed themselves to meet again on Thursday according to this self-convening system in the dialogue. However, I feel that what is important is that practical and viable proposals be submitted in each case. [end recording]

Catholic Church Communique on Political Situation

PA0408221889 Hamburg DPA in Spanish 2041 GMT 4 Aug 89

[Text] Panama City, 4 Aug (DPA)—The Panamanian Bishops Conference (CEP) issued a communique today in which it requested the withdrawal of General Manuel Antonio Noriega, the lifting of the U.S. sanctions against Panama, the transfer of power on 1 September, and the immediate reestablishment of human, civic, and political rights in this country.

The bishops explained that "the government suffocated the desire of Panamanians for a change of government, as expressed at the polls on 7 May, but if the election annulment is irreversible, then a government formula must be sought to handle the transfer of power on 1 September that will lead ultimately to new elections in the near term."

The document also criticizes "the ambiguous and changing stands of the international organizations that negate their proclamations for sovereignty, self-determination, and democracy," and mentions the OAS, which it says "seems to disavow the will of the people."

The CEP says that "a solution is urgently needed to halt the great social chaos and to respond to the dissatisfaction among the Panamanian people."

The document adds: "In the name of God, we ask the government, the progovernment political parties, the opposition political parties, the Armed Forces, the international community, the United States, and the other Latin American governments represented in the OAS not to further prolong the agony of the people."

PPR Issues Resolution on Reconciliation Junta

PA0808014189 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Aug 89 pp C-6, D-40

[Resolution issued by the Panamenist Revolutionary Party's (PPR) National Executive Committee in Panama City on 4 August]

[Text] 1. We reiterate to the country that the valid and quick alternative to facing the crisis the United States has plunged us into is to install a national reconstruction junta, with new faces, consisting of the following:

a. A member of the progovernment sector appointed by the political parties that back the government;

b. A member of the opposition;

c. A member of the Defense Forces, who may be an active member or an appointed representative.

2. We reiterate the need to create a national constituency assembly that will be in charge of fixing the date for new elections. This assembly should consist of: four (4) constituents for each of the 12 legally-recognized political parties—a total of 48 members—to be installed 15 days after 1 September, according to what was agreed upon under point No 1, paragraphs a, b, and c of the Interparty Political Commission, dated 1 June.

3. In each district community juntas should be created that consist of a principal member and his alternate for each of the 12 legally recognized political parties. The community juntas, meeting in council, shall choose by majority a district representative and his alternate.

4. The PPR leadership will provisionally present to the COLINA [National Liberation Coalition] parties the name of the representative chosen to join the national reconstruction junta. A special commission has been designated to draft a list of party members, which will be given to the national reconstruction junta to make up the national constituency assembly and to comprise the popular power (district representatives), governors, mayors, directors and deputy directors of autonomous and semi-autonomous entities, and ministers and deputy ministers.

5. In view of the stalling tactics, the dissociative intransigence, and the systematic obstructionism the opposition representation has used in the dialogue designed to reach a national agreement, the PPR denounces the use of the strategy of prolonging the difficult situation the country is going through. The country is under the economic siege and the psychological warfare of the United States—tactics that were thought to have been overcome long ago.

The national agreement has to offer a new solution, more in touch with the reality that the 7 May elections were in fact annulled. To be obstinate about any other formula would only make the problems worse. These problems require instead the help of all Panamanians to try and overcome them.

For this reason, we are demanding a definite dialogue, without any type of rhetoric, which should yield results no later than 11 August 1989.

The people expect from their leaders a rational and pragmatic position that will mean stability for the country.

We reiterate to the Panmanian people our untiring struggle for the national liberation.

[Dated] 4 August 1989, Panama City
[Signed] PPR National Executive Committee:
Luis Gaspar Suarez Sierra, PPR president and legal representative
Jose Napoleon Ruiz O., PPR vice president
Bernardo Domiguez Suarez, PPR vice president
Francisco de Jesus Puente G., PPR general secretary
Javier Alfonso Lopez B., PPR Youths' "Black Berets" deputy secretary general
Maida Esther Arango L., secretary of PPR's female affairs
Ricardo Diaz G., PPR committee member.

Canal Official on Revenues, Board Meeting

PA0508005689 Panama City Circuito RPC Television in Spanish 2300 GMT 3 Aug 89

[Report on statement by Fernando Manfredo, deputy administrator of the Panama Canal Commission, in Panama City on 3 August—passages within quotation marks recorded]

[Text] Fernando Manfredo, deputy administrator of the Panama Canal Commission, today said that the canal's revenues have dropped.

[Manfredo] "A directorate board meeting was recently held in Tacoma, and the administrator brought up the problem that we will close this fiscal year with a greater deficit than we anticipated, given the decrease in ships transiting the canal. The explanation given for this decrease is that U.S. grain exports to the Far East have dropped due to the drought, just as the amount of vehicles exported from Japan to the United States has decreased. The latter represents one of the canal's main sources of revenue because the large ships which carry the vehicles pay high tolls."

"Nevertheless, nevertheless [repeats himself] I can also tell you that the decrease in ships transiting the canal is also caused by changes in transportation and commerce methods. This is very important because it means that the United States may again have significant grain production once the drought problem is solved—but it does not necessarily mean that the canal will recover the previous export levels."

Fernando Manfredo also referred to the absence of Panamanian representatives in the Panama Canal Commission's Directorate Board meeting.

[Manfredo] "That does not benefit Panama at all. I really think it is deplorable that the prevailing political situation has also involved the Panama Canal to the point that it precludes the participation of the Directorate Board's Panamanian members. This totally destroys the concept of partnership under which the Panama Canal Treaty was created."

Shipping Activity Up Despite U.S. Sanctions

PA0508134489 Panama City CRITICA in Spanish 4 Aug 89 pp 1, 13

[Summary] Hugo Torrijos Richa, director of the General Consular and Ships Directorate, reported that shipping activity has increased in 1989, despite U.S. sanctions. He added that the country currently stands in first or second place with respect to the number of ships registered in Panama and carrying the Panamanian flag. He also noted that the tonnage of these ships totals 66 million. Torrijos Richa said that maritime activity provides the government with more than $30 million in revenues and approximately $40 million more in indirect revenues from lawyers, translators, and notary and other services.

Banking Commission Official on Restrictions

PA0508025489 Panama City Telemetro Television in Spanish 2300 GMT 1 Aug 89

[Report of interview given by Mario De Diego, executive secretary of the National Banking Commission, to unidentified reporter in Panama City on 1 August—recorded]

[Text] [Reporter] Mario De Diego, executive secretary of the National Banking Commission, has stated that the decision to extend the banking restrictions is not based on a lack of confidence in the banking system but on the depositors' attitude.

[De Diego] We also have to be concerned for the depositors' security. If tomorrow we lifted the restrictions...

[Reporter, interrupts] What is the banking commission doing?

[De Diego] We have always stated this. People will immediately run to take out the last penny they have in the banks. Banks simply do not have enough money for everyone because the money is tied down in deposits. This is the problem. We have to go little by little until people understand the situation and banks are prepared to confront the run that will definitely take place. We, however, want to be sure that we can control this to avoid as much damage as possible.

[Reporter] You mean there is still no trust in the banking system?

[De Diego] No, I have not said this. I do not believe it has anything to do with trust in the banking system. We have stated many times, and I do so here again, that the banking system was and is in good condition. It is simply a matter of peoples attitudes, peoples perceptions of the situation. Many people believe that money kept under the mattress is more secure than in the banks. Obviously, while persons continue to think in this manner, we face many risks. People would probably run to take their money out of the banks if we lift all the banking restrictions tomorrow. This is why we have to go little by little. We also have to take into account the situation of those banks whose portfolios make it difficult for them to deal with a run on the bank.

Economist Recommends Creating Stock Exchange

PA0508032189 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Aug 89

[Interview with Economist Guillermo Chapman by unidentified reporter; date and place not given—recorded]

[Text] [Chapman] A group of businessmen and professionals are interested in establishing a stock exchange. In reality, it would be a commercial organization, a specific place to operate under specific rules, in order to regulate and systematize activities that already exist. In fact, a stock exchange already exists in Panama, particularly stock certificates in the form of credit notes which are exchanged in an informal and irregular manner among the interested parties. The idea of the stock market is to create a place in which buyers and sellers can meet under an orderly system, so that those who participate in this market will know exactly what they are buying and selling. The results of those transactions would be published to keep the financial community well-informed.

[Reporter] Is this stock exchange feasible under the country's current economic and political conditions?

[Chapman] To answer your question concerning the country's political and overall conditions, as the Spanish saying goes, big problems require big remedies. In reality, this would not be a big remedy, but a big palliative.

The fact is that the banking system has experienced a reduction of approximately $2 billion in deposits during the past 24 months; the country no longer has access to the easy, voluminous, and relatively cheap credit with which both the public and private sectors had been financed through the banking system and to international financial sources channeled through the banking system. Hence, in order just to maintain the current level of activities in the country, which has significantly dropped compared to previous years, we must seek alternatives to the credits that banks can no longer give for the reasons I have mentioned.

Therefore, precisely due to the current conditions in the country—which are not only due to the immediate political crisis but to fundamental changes that were taking place since the beginning of this decade—it is imperative to seek an alternate financial mechanism to complement the banking system. Consequently, I would say that under the current conditions the stock exchange is not feasible, but absolutely necessary.

[Reporter] What immediate and practical benefits would Panama derive from this organization?

[Chapman] I believe that the most tangible benefit would be the fact that companies operating in Panama, which generate production and employment, will have a means to obtain credit and operational funds through certificates or short-term credit notes, a means not currently available. In other words, I believe that at this juncture, the existance of the stock exchange will at least make it possible to maintain the current level of economic activity, preventing a more drastic fall, until the country can find new horizons that will encourage growth.

FDP General Command Announces Transfers

PA0608211389 Panama City Television Service in Spanish 1612 GMT 6 Aug 89

[Text] In keeping with the dynamics and current reorganization of the Panama Defense Forces [FDP], the General Command has announced the following transfers:

Lieutenant Colonel Aquilino Sieiro Murgas, chief of the Joint Committee and currently on an official mission to Namibia, has been appointed deputy chief of the G-5 General Staff; Major Jesus Daniel Riggs Arrocha, member of the Combined Board, has been appointed chief of the 6th Military Zone; and Lieutenant Colonel Gerardo Garcia F., chief of the Police Force, has been appointed relief chief of the second Panamanian contingent to the peace mission in Namibia.

PDC Objects to Municipal Officials' Dismissal

PA0408180189 Panama City Circuito RPC Television in Spanish 2300 GMT 3 Aug 89

[Statement by Christian Democratic Party (PDC) Secretary General Ivan Romero in Panama City; date not given—recorded]

[Text] David Mayor Julio Solis and Deputy Mayors Rogelio Baruco and Domingo Torres were dismissed and turned over to District Attorney Edgard Gomez Samudio, reportedly because they are charged with embezzlement and misuse of municipal assets. The events in David are a repetition of what happened in Panama City and Penonome. We understand that the same thing will soon happen in the municipal offices of Bugaba, Boquete, and Puerto Armuelles, where the mayors are opposition members. This is further proof of the authorities' disdain for the OAS and the dialogue.

In its first resolution on 17 May, the OAS asked the parties to the conflict to abstain from carrying out actions that could worsen the situation. What is happening at the municipal offices shows lack of respect for the people's will as expressed both on 7 May 1989 and in 1984, when these officials were elected.

Classes Remain Suspended in School Districts

PA0808012689 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Aug 89 p A-1

[Text] The Education Ministry Public Relations Office has announced that the suspension of classes and administrative functions in public and private middle level schools of Panama, Colon, and San Miguelito Districts is still in effect until further notice, as reported on 3 August.

The Education Ministry authorities have been in permanent contact with the school sectors that are involved in the suspension to assess the prevailing situation and adopt more adequate measures to preserve the safety of our students.

An assessment has also been made at the University of Panama and the Technological University to seek joint actions that will promote calm and the appropriate environment to resume classes.

Communique

The National University of Panama's Central Management Office informs its faculty, administrative staff, and students that academic and administrative activities in all its branches all over the country will remain suspended on 7 and 8 August 1989. Issued at the Octavio Mendez Pereira University Campus, on 6 August 1989.

New Radio Nacional Director Assumes Position

PA0408163289 Panama City CRITICA in Spanish 3 Aug 89 p 5

[From the "Scoops" column]

[Text] Lucho Bejarano took over yesterday as the new director general of Radio Nacional. Of course he immediately resigned his position at the Foreign Ministry. He could not be happier.

Argentina

Menem Returns From Bolivia, Resumes Duties

PY0708131889 Buenos Aires TELAM in Spanish 1218 GMT 7 Aug 89

[Text] Buenos Aires, 7 Aug (TELAM)—Argentine President Carlos Saul Menem this morning resumed his duties as president of the nation after returning from Bolivia. The brief ceremony took place at Government House. Vice President Eduardo Duhalde and Presidential Notary General Natalio Pedro Echegaray attended this ceremony.

Once the ceremony was over, the chief executive shared a working breakfast with his closest aides.

Vice President Denies Report on Talks With UK

PY0708144089 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1155 GMT 7 Aug 89

[Text] Buenos Aires, 7 Aug (NA)—Argentine Vice President Eduardo Duhalde today said that for the time being a meeting between Argentine and British diplomats to negotiate the reestablishment of bilateral relations—severed since 1982—and to place the Malvinas sovereignty issue "under a protective umbrella," is "not in the plans."

Thus Duhalde answered Radio Continental's questions about a report in the London newspaper THE TIMES. The British newspaper reported that UK Ambassador Sir Crispin Tickell could meet Marcelo Delpech, former Argentine ambassador to the United Nations and current head of the Argentine mission in Morocco. The meeting could take place within 2 weeks, according to the report, and its objective would be to negotiate the resumption of Argentine-British ties.

Argentine Foreign Minister Domingo Cavallo yesterday said in Cordoba that no direct negotiations have taken place between Margaret Thatcher's administration and the Argentine Government. Cavallo did not rule out, however, that such negotiations could materialize.

The foreign minister added: "We will report on the results (of indirect contacts), but for the time being we must be very discreet, because these are very sensitive issues, which require action rather than words."

He went on to say that in addition to Brazil and Switzerland, "the United States has been helping in the exchange of ideas about specific issues that have to do with fishing and the means to avoid conflicts in the South Atlantic."

According to foreign news agencies, in yesterday's issue THE TIMES reported that Thatcher has approved direct contacts with Argentine officials, similar to the aborted talks in Bern in 1984. The newspaper did not specify the terms under which those talks would be held.

The well-known British daily also stated that "the olive branch offered by Buenos Aires should be accepted, although with a good measure of prudence." The paper was referring to the Argentine Government's decision last week to lift the restrictions on trade with Great Britain.

Ambassador Delpech, who was mentioned by the London daily, will be replaced this week by Jorge Vazquez, who last week held a farewell party in Buenos Aires. Delpech and Minister Councilor Federico Mitre—both of whom are career diplomats—participated in the aborted talks in Bern in 1984, organized by the Radical Civic Union administration.

In today's issue, the Buenos Aires daily CLARIN hinted at the possibility that on 4 September President Carlos Menem may want to talk about a hypothetical resumption of talks with Great Britain at the summit meeting of the Nonaligned Movement in Belgrade, Yugoslavia. On the same day a meeting of the World Parliament is scheduled in London. British and Argentine lawmakers will attend that meeting.

Senator Hipolito Solari Yrigoyen, Adolfo Gass, Eduardo Duhalde, and Ramon Puerta will be part of the Argentine delegation that will travel to London.

Foreign Ministry on Talks

PY0708172289 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1654 GMT 7 Aug 89

[Text] Buenos Aires, 7 Aug (NA)—It was officially reported that the Argentine Government has reiterated its willingness to normalize relations with Great Britain "by means of a formula capable of protecting sovereign rights over the Malvinas."

After President Carlos Menem and Foreign Minister Domingo Cavallo met for lunch today, the Argentine Foreign Ministry issued a communique stating that so far "there have been no direct talks with the United Kingdom."

Further on Communique

PY0708174489 Buenos Aires TELAM in Spanish 1702 GMT 7 Aug 89

[Text] Buenos Aires, 7 Aug (TELAM)—The Argentine Foreign Ministry and the office of the president of the nation today released a joint communique stating that "Chief Executive Carlos Menem and Foreign Minister Domingo Cavallo wish to reiterate the Argentine Government's position regarding the normalization of relations with the United Kingdom by means of peaceful negotiations."

The communique adds that this will be accomplish "through a formula of protecting our sovereignty rights over the Malvinas, South Georgias, and South Sandwich Islands."

The communique states: "The idea is to find, through natural channels, the appropriate courses of action to achieve this normalization. Among these courses of action is the elimination of vestiges of the 1982 war and the resumption of diplomatic relations."

The communique concludes by saying: "So far, there have been no direct talks with the United Kingdom, although they could take place in the future. Negotiation is the most suitable means to overcome the current disagreements. In this endeavor our government will bear in mind national interests first of all."

This communique was released today at Government House by the press office of the president of the nation.

Official on Possible Closure of State-Run TV

PY0708181889 Buenos Aires Domestic Service in Spanish 1600 GMT 7 Aug 89

[Text] Press and Dissemination Secretary Jorge Rachid has said that if state-run television stations do not become financially self-sufficient in 2 and ½ months, they will be closed. He said, however, that the government has not yet made this decision.

The secretary was consulted by the journalists accredited to Government House, who asked him to clarify the remarks that the minister of public works made a few days ago that Channels 11 and 13 of the Federal Capital would close in the next few weeks.

[Begin recording] [Rachid] Undoubtedly, if the stations do not become self-sufficient and capable of paying for salaries and artistic activities, in 2 and ½ months we will have difficulties if the treasury no longer finances those expenses.

[Reporter] Will the television stations close?

[Rachid] The minister mentioned this as a possibility. By no means is it a decision. It will have to be analyzed by the cabinet. [end recording]

Rachid, who said that the government's goal is the financial self-sufficiency of the stations, added that if circumstances lead to the closure, the situation of stations' employees will be guaranteed. Rachid said that efforts are being made to put the stations in the best technical and economic condition so that they can be sold at a good price.

Channels 11, 13 Closed

PY0808032889 Buenos Aires Domestic Service in Spanish 0200 GMT 8 Aug 89

[Text] Public Works Minister Jose Dromi has confirmed the rumors that television Channels 11 and 13 will be temporarily shut down. Dromi said there is agreement among cabinet ministers on the subject:

[Begin Dromi recording] Yes, I think so. We will try to minimize our fiscal deficit for the next 2 months. [end recording]

Minister Dromi was thus referring to a 60-day temporary shutdown of those channels. The minister said that all workers will continue to receive their salaries during the closure. The minister also said that within 48 hours the government will announce the shutdown of several railroad lines that operate in the red.

Bolivia

Paz Estenssoro Addresses Nation at Congress

PY0708220689 Asuncion Domestic Service in Spanish 1954 GMT 6 Aug 89

[State of the nation address by outgoing President Victor Paz Estenssoro at the Congress in La Paz—live relay from La Paz Radio Illimani Network]

[Excerpts] [Passage omitted] In keeping with our Constitution, I now address you to present a report on the situation of the Bolivian Republic during the last 12 months.

Before starting, however, I want to cordially thank you for the homage I received a few moments ago. This homage is the greatest I have received in my long political life. Thank you very much, honorable congressmen. [applause]

The transfer of power to be celebrated during this ceremony gives it a special historical importance because on very few occasions in our history has a democratic government reached the end of its term in office and transferred power to another democratic government. This is very important for our national institutional life and should be taken as an example.

Furthermore, this ceremony is also very important because, as a symbol of our Latin American integration and the brotherly friendship that link our countries, several Latin American presidents are present. Let us mention the presence of Argentine President Carlos Menem, Brazilian President Jose Sarney, Peruvian President Alan Garcia, Uruguayan President Julio Maria Sanguinetti, Paraguayan President Andres Rodriguez, and Panamanian President Manuel Solis Palma, [applause after each president's name]. The presence of these illustrious chiefs of state at this solemn republican act confirms our faith in the common destiny of our nations and reminds us of the yearnings of our liberating fathers who sired our nations. These yearnings still exist in the bosom of our peoples who now show that they continue hoping to achieve democracy, peace, and social and economic progress. I also thank the various delegations that honor us with their presence at this ceremony which consolidates our democratic system. [passage omitted]

I must emphasize the important role played by the national congressmen who, in keeping with Article 90 of our Constitution on the election of new presidents, have designated Jaime Paz Zamora president of the Republic and Luis Ossio Sanjines vice president for the 1989-93 term in office. [passage omitted]

No one can deny that, since its first day in office, this administration has handled the national economic problems in a serious and responsible manner aimed at organizing the economy and making it dynamic and creative. The negative measures adopted in the past forced us to establish strict rules for the management of national finances. These strict rules should continue to be implemented to prevent the creation of other situations difficult for the country. In the last general elections, the Bolivians expres d their opinion of these rules by voting for the parties that favor continuing to implement the same policies with only slight changes.

Our economic policies were also favorably received abroad, where policies are studied less emotionally. Bolivia's new image is very different from the previous one. This image now has different nuances in view of the progress we have made.

The first positive result of these policies is that we are getting used to living in order and liberty, and we have eliminated [words indistinct]. We Bolivians obey the law and respect the national institutions.

Our society is currently experiencing one of this century's worst scourges—the tragedy of drug addiction. Unfortunately, our country is one of the main producers of the raw material for cocaine. Our ancestral tradition of planting coca leaves has been used for criminal objectives. In view of this situation, and disregarding our sovereign rights, we have signed bilateral and multilateral agreements aimed at fighting drug trafficking at all levels. The most important of these agreements was signed by the Bolivian representative at the end of the convention against illegal trafficking in drugs and psychotropic substances, which was held in Vienna in November 1986. We are engaged in this fight in which all human beings are also engaged. Within our limitations, we have been boldly fighting this scourge.

Regarding the eradication of the coca plantations, we must say that the eradication program is being implemented without harming traditional areas or resorting to chemical eradication methods. We have been holding talks with the coca growers to convince them of the urgent need to adopt measures to reduce the coca plantation areas, and to explain the alternative programs that will give the peasants other sources of income.

The Armed Forces, which are a fundamental pillar of our society, have shown examplary behavior by supporting the democratic system. This example is still more important in critical moments, such as our present reorganization of our country's economic life.

In keeping with our foreign relations policies, we have expanded foreign relations by establishing relations with Asian and African countries, while strengthening already existing relations with other nations.

In establishing these relations we did not take into consideration a country's ideology or political system. This openness has enabled us to strengthen Bolivian presence in the international community. This openness has yielded positive results for all of us.

We must also emphasize the financial and technological help friendly countries have given Bolivia. This aid has been valuable because it has helped us to reduce some problems caused by the economic crisis and to establish the basis for future development.

Bolivia has taken an active part in making decisions regarding regional topics such as those discussed in the Cartagena Accord, the Amazon Region Pact, and the River Plate Basin Treaty. We have also been developing projects for border integration and energetic complementary action with some neighboring countries.

Regarding a sea outlet to the Pacific, we have received new support for our position of seeking a negotiated solution to the problem. The support recently given to our cause by the presidents of the Andean Pact countries, who have met in Cartagena, Colombia, leads us to believe that maybe the international community will realize that our request is fair. [passage omitted]

The $30-million credit we have received from the World Bank will reduce the burden on the productive sector, create more confidence in our economy, increase the movement of our resources, strengthen and improve our banking system, and fundamentally reduce the high costs of credit. The $100-million bridge loan recently granted by the U.S. Treasury to the Bolivian Central Bank has improved the level of our reserves and confirmed foreign confidence in the Bolivian financial system. [passage omitted]

One of the concerns of my administration and of the oil companies has been to improve the transportation sector, especially the domestic transportation sector. [passage omitted]

The implementation of a new, simple, and practical set of regulations on gold mining, sought to generate hard currency and create jobs. The regulations resulted in a sharp increase in gold production, which in 1988 reached a level 11 times higher than in 1985.

The Mining Corporation of Bolivia, despite the opposition of certain political and labor groups, has recovered from the disastrous situation it was in at the beginning of my administration. It can now operate in the black, and it has stopped being a burden on the state's treasury. It

now finances its own operations and investments and encourages production, and it is an important source of employment for workers and administrative personnel. [passage omitted]

We have been able to make considerable progress in the struggle against drug trafficking in the coca production area. At the domestic level we promoted the overall agricultural development and coca replacement programs through the implementation of several [words indistinct] crop programs, social works, the installation of power plants and running water systems, the building of roads, and the (?issuance of credits).

We were able to eradicate 1,400 hectares of coca leaves. Although this number is less than originally estimated, it reflects the effort made to limit the production of this crop. Since December 1987, we have been able to eliminate a total of 2,400 hectares. [as heard] [passage omitted]

A total of 2,161 projects were implemented providing for assistance, socioeconomic infrastructure, and support for the productive sector, of which 743 were completed during the period referred to in this message.

The National Board for Social Solidarity and Social Development, which is in charge of implementing the policy of protection and assistance to minors, the aged, women, and the poorer sector, has operated normally and has sought to accomplish two objectives: to improve the quality of its services, and to benefit a larger number of people.

Concerning the minors interned at various institutions, educational work has been undertaken in an effort to give them comprehensive training so that they can rejoin society. Legal steps were also taken to enforce and guarantee respect for the right of children. Assistance and educational programs were implemented at 73 homes for abandoned children and orphans housing 9,986 minors between 0 and (?16) years of age, 1,000 workers of the dangerous minors project, and 900 children between 0 and 6 years of age. During this period 14,000 cases of abandoned or mistreated children were solved. [passage omitted]

During the period referred to in this message, the defense sector has undertaken tasks that have consolidated the military institutions, thus efficiently participating in the national life. Through the correct use of the funds earmarked to this sector in the budget, it was possible to successfully implement most of those tasks, despite difficulties in the administrative process.

Thanks to the discipline imposed on spending, it was possible to complete the construction of a large number of barracks, especially in those units in which there were noticeable deficiencies.

Some 30 new barracks and military facilities have been built since (?April) 1987, as well as 610 new houses in 24 military residential sectors. The existing barracks were also improved through the construction of other facilities, like 55 bedrooms for soldiers, 48 dining facilities, 21 health units, 21 military clubs, and 20 sports fields.

Concerning the consolidation of the state of law, it is necessary to stress that the Armed Forces have maintained full institutional discipline in keeping with Constitutional regulations. The Armed Forces have discharged their duties with total understanding of the serious crisis that has affected our country and they have supported the democratic government.

The main concern of the Executive Branch in connection with the internal policy was the consolidation of the state of law on the basis of the observance of constitutional provisions. During its last year in power, the Executive Branch has respected freedom and the guarantees of the people despite conflicts. The fact that the government has not imposed the state of siege, which is provided for under the Constitution at times when peace is in danger, is the most tangible evidence of the attitude of the government, which preferred dialogue, persuasion, and considerable patience to cope with those (?sectors in a) social crisis. This crisis was for the most part provoked by the lack of understanding and the destabilizing attitude of radical minority groups which are quite active.

The general elections have provided further evidence of the atmosphere of security and confidence in which we live. During the elections, the people expressed their will in a civic action in full view of the local and the international community. Beyond all doubt, we can say that on 7 May both the government and the people expressed their firm determination to consolidate democracy.

I would like to mention some figures in connection with the work against drug trafficking. During this period, more than 100 tons of drugs of different types were confiscated and more than 137,000 liters of chemicals were seized. In addition, 2,126 factories and 4,517 maceration pits were destroyed, while (?749) individuals involved in the production and trafficking of cocaine were arrested.

Drug traffickers have responded with increased boldness, seeking to involve a larger number of people.

The incident in Beni shows the alarming degree of impunity with which drug traffickers operate. The government has acted swiftly in this and other cases and has applied the law and all other mechanisms available to fight the illicit trade. The Armed Forces have intervened in many cases but regretfully many people have died in the ensuing clashes.

The government has built many new facilities in many towns throughout the country and given the police better arms with which to fight drug trafficking.

When the government discovered evidence of irregularities in the granting of passports and immigration visas it immediately ordered a multiministerial commission to investigate and to identify the guilty parties inside and outside the country. The commission's conclusions permitted the government to make the necessary corrections, establish the administrative penalties for those who were guilty, and place them at the disposal of the courts.

Our foreign policy has followed a coherent and stable path throughout my administration. We have relentlessly sought bilateral and multilateral support for our new economic policies and repeatedly supported the principles of nonintervention in the domestic affairs of other countries, and full respect for the sovereignty of all states. [passage omitted]

Implementing the agreements that were signed during Brazilian President Jose Sarney's visit to our country, Brazil opened its doors to the import of Bolivian products. This has contributed to correcting the accentuated imbalance existing in our trade relations.

Bolivian-Peruvian relations continued to be cordial in general, including the border integration aspect. Regarding the transportation sector, there has been a meeting of [word indistinct] ministers, who agreed to make the road construction works easier and [passage indistinct].

Our relations with the Republic of Paraguay have continued to be cordial. Not long ago, the Bolivian Mining Corporation signed a contract to supply (Mutum) iron to the Paraguayan steel-producing sector. This opens the doors to further satisfactory exchanges.

The support Uruguay has traditionally given to Bolivia has granted us port service in Palmira and Frai Bentos Ports, thus opening new perspectives to our foreign trade.

Our diplomatic relations with Chile continue to be suspended for reasons known to the public. Bolivia only has consulates in Chile. These consulates deal with matters created by the geographic proximity between our two neighboring countries. Bilateral relations with Venezuela, Colombia, Ecuador, and Mexico continue to be held in order to achieve common objectives.

Bolivia has been permanently concerned about the Central American conflicts and has supported the OAS proposals to bring peace to the region.

Bolivian-U.S. relations enjoy a high level of understanding. This was evidenced in August 1988, when then U.S. Secretary of State George Shultz visited Bolivia. Bolivia receives U.S. aid, particularly financial aid, through credits and donations. This aid has allowed us to implement several national projects in the agricultural, rural development, health, and educational sectors. Because of its great importance, we must also mention U.S. aid in the struggle against drug trafficking in compliance with special agreements. Regarding the bridge loan granted by the U.S. Government, I have already mentioned what this loan has represented to our country.

In view of the ever increasing interest Canada has in Latin America, cooperation with this country has increased positively since Canadian External Affairs Minister Monique Landry visited our country.

Our relations with the FRG are very good. We have signed several agreements for financial and technological cooperation with the FRG, which amount to $71 million. These agreements were signed under conditions very favorable to our country.

We have been having cordial relations with Italy and signed agreements for the financing of some specific works that are under way [word indistinct] totalling $190 million. These funds have been granted within the framework of the 3-year plan for cooperation with Bolivia that started in 1988. [passage omitted]

Our trade relations with Czechoslovakia and Hungary have increased, particularly in the field of mining and metalwork. Our relations with the USSR continue to be invariably good.

Our relations with Japan are especially friendly. We must point out the extraordinary assistance Japan has given to our economic and social development. During my administration Bolivia received Japanese credit and donations amounting to $111 million. Other credits to be approved will grant us another $70 million.

The PRC has been giving us technological assistance, and our relations with the ROK have been strengthened thanks to the investments the ROK has been making in our country. Recently, we had the pleasure of receiving Yong Sik-han, a special envoy of ROK President No Tae-u. [passage omitted]

The transfer of power from one administration to another implies new possibilities and risks, particularly in a country such as ours with a weak economic base that can easily deteriorate if we do not continue the same economic policies.

The cooperation and help of the population has been very important in this respect. The application of wrong economic policies could create social unrest, affect the country politically, and risk our democratic process. I therefore make a call to all concerned to handle our economic problems with wisdom and patriotism, always recalling our traumatic immediate past, and to work for Bolivia's greatness.

Regarding decentralization, a very hot topic today, I must stress that attention must be given to control the exaggerated centralism of the departments to prevent damage to the nation as a whole. Our country is not yet wholy integrated. Our political and civic authorities will have to ponder on the subject to make a decision. The delicate issue will demand wise coordination of our local and national interests.

Another important issue is the depredation of our national resources, which will especially hurt our future generations. The irrational exploitation of our flora and fauna will eventually destroy our countryside. I must confess that many of our projects to protect the environment have not had the reception I expected. The attack on our forests continue unhindered. It will be difficult to restore our forests once they are destroyed. We have to implement new regulations to control the impact of development on the environment, including the creation of new national parks to protect our ecosystems. We have to combat the contamination of our rivers and the erosion of our agricultural lands.

The very important issue of a vital sea outlet to the Pacific Ocean is something that all governments must pursue. We must continue to vigorously demand our rights at all international forums on all possible occasions. Our policy in this respect must continue to seek agreement and reconciliation of the interests of all parties involved.

I hope Bolivia will continue to achieve continuous material and moral progress to consolidate its greatness. I know the path toward that greatness will be difficult and full of sacrifices but we cannot dodge the challenge. [passage omitted]

Colombia

Government Rejects Offer of U.S. Troops

PA0808050689 Paris AFP in Spanish 0433 GMT 8 Aug 89

[Text] Bogota, 7 Aug (AFP)—Colombia today rejected a possible shipment of U.S. troops to support its struggle against drug trafficking and, after stressing the country's ability to face this scourge, it recalled that the responsibility in this problem also lies with the consumer countries.

Asked about press reports from Washington, Colombian Foreign Minister Julio Londono emphasized this position. According to these reports, a Drug Enforcement Agency plan contemplates the sending of troops to Peru, Bolivia, and Colombia to help fight drug trafficking.

Londono noted that the drug production and consumption "problem is not solved with the use of foreign troops." He added: "The big consumer nations must face this battle to eradicate drug use."

He urged nations with a high demand for drugs, which encourage their production, to take "special measures."

The government of liberal President Virgilio Barco has repeatedly termed unadvisable any foreign military assistance in the struggle against drug trafficking.

Export-Import Bank of Japan Grants Loan

OW0808095589 Tokyo KYODO in English 0908 GMT 8 Aug 89

[Text] Tokyo, Aug 8 KYODO—The Export-Import Bank of Japan signed an agreement Tuesday to provide a 42.54 billion yen untied loan to Financiera Electrica Nacional S.A. (FEN) of Colombia, bank officials said.

The money will be used to improve Colombia's electric power network, a top priority of Colombia's economic adjustment policies, the officials said.

The loan, which falls under Japan's program to recycle funds to developing countries, will be extended in cofinancing with the World Bank, they said.

Measures To Protect Judges Explained

PA0708133189 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 6 Aug 89

[Report by Mary Villalobos]

[Text] The attorney general and justice minister today told a group of judges in Antioquia that each threatened judge will be assigned six policemen: two at home and four at his or her office. The attorney general and justice minister believe that administering justice in Antioquia Department is a heroic task.

[Begin recording of Luis Alvarez, secretary of ASONAL, not further identified] Security measures must be available to all judges the minute they take office. The authorities must not wait until judges are threatened before providing security. [end recording]

[Begin District Attorney Ivan Perilla recording] It is fundamental that we recognize the judges' importance so that the measures the judges take against police and Army personnel linked.... [changes thought] Regarding cases in Antioquia in which they have hindered the judges' investigation, measures must be effectively applied and these culprits must be suspended. [end recording]

The justice minister and attorney general asserted that these judges are at the head of the list of people at risk, followed by the special judges handling drug trafficking cases, with the judges who arrange the documentation of evidence in third place.

The minister said that there are sound protection procedures. The judges who receive threats will contact a representative of the judicial [branch of] ASONAL, and

he will, in turn, inform the Attorney General's Office, the chief of the DAS [Administrative Department of Investigations], and the minister.

[Begin De Greiff recording] Any judge who now feels that he or his family are in danger can communicate directly with us. We have studied their problems and have immediately implemented feasible solutions. [end recording]

A list of threatened judges will be drawn up. In the specific case of Medellin, the governor's office and the mayor's office pledged to supply official vehicles when needed. The attorney general promised that he will see to it that these messages will be put into effect.

ELN Attacks, Burns Tank Trucks in Bucaramanga
PA0708232189 Bogota Emisoras Caracol Network in Spanish 1215 GMT 7 Aug 89

[Text] Bucaramanga—Another two Colombian tank trucks have been attacked and burned by ELN [Army of National Liberation] terrorists in the Bucaramanga area.

The authorities reported that rebel ELN columns erected a number of barricades along the road from Bucaramanga to Cucuta and intercepted approximately 300 vehicles, which they painted with ELN slogans.

At the end of the massive [word indistinct], the rebels burned the tank trucks. The ELN rebels escaped prior to the arrival of 5th Infantry Brigade troops.

Ecuador

Parties Renew Parliamentary Alliance 4 Aug
PA0808013489 Paris AFP in Spanish 2216 GMT 4 Aug 89

[Text] Quito, 4 Aug (AFP)—Today the ruling and social democratic Democratic Left (ID) and its ally, the Christian democratic Popular Democracy (DP), signed in Quito an agreement with a view to maintaining its parliamentary alliance, which allows them to count on a comfortable legislative majority.

One month ago, the DP suspended its cooperation with the ID at directive levels and last week the DP's council of directors decided to end the parliamentary alliance between the two parties on 10 August, the date of the 1st anniversary of President Rodrigo Borja's government and the date on which the Congress board of directors and committees must be renewed.

The DP faced a difficult internal situation, because almost half of its delegates in its directive bodies expressed the need to maintain the alliance or else to witness the consolidation of the political right and populism. The DP's internal differences threatened to divide the party.

The agreement signed by the corresponding national directors of the two parties, ID's Efren Cocios and DP's Vladimiro Alvarez, states that the two parties agree on the need to maintain the alliance of the center-left forces to promote the center-left political plan.

The agreement establishes that DP's Wilfrido Lucero will be reelected as Ecuadoran Congress president while ID's Antonio Rodriguez will replace Nicolas Issa as the vice president of the unicameral Ecuadoran Congress.

The DP's director clarified that the decision made by the DP National Council of Directors will allow the Congress to conduct the necessary oversight process (of the Executive Branch) that is considered constitutional, legal, and fair during the respective parliamentary periods.

Alvarez said there is clear understanding of the need to restructure the organization of the National Congress, which—as Alvarez recalled—cannot be conducted by any isolated party, because isolated parties do not have the necessary majority.

Of the 71 blocs of Congress, the ID controls 30 while the DP controls 7, a number that gives them the necessary m rity.

Cocios said the alliance is a patriotic understanding that places democracy and the country's interest above any other type of interest.

Cocios added that this is a decision made by the whole ID and includes the position of the parliamentary blocs and the ID's rank and file. Cocios ruled out the existence of any misunderstanding in the ranks of the ruling party caused by the fact that prior to the renewal of the alliance, the ID had nominated Rodriguez for the Congress presidency and then after the alliance was signed, Rodriguez was nominated for the Congress vice presidency.

Two Left Broad Front (FADI) deputies participated in the agreement signed in August 1988, which expires on 10 August 1989. The participation of FADI in the new agreement is still to be decided.

Paraguay

Uruguayan President, Rodriguez Travel to Bolivia
PY0508170789 Asuncion RPC Television Network in Spanish 1600 GMT 5 Aug 89

[Report from Asuncion airport by Marcos Alvarez]

[Excerpt] The Paraguayan and Uruguayan presidents will represent another example of integration when they travel together to a presidential inauguration. President Andres Rodriguez has just welcomed his Uruguayan counterpart, Julio Maria Sanguinetti, at the VIP sector of Silvio Pettirossi Airport.

After having lunch in Asuncion, the two presidents will leave for Bolivia to attend the inauguration of Bolivian President-elect Jaime Paz Zamora. [passage omitted]

Rodriguez Returns

PY0808034089 Asuncion EL DIARIO in Spanish 7 Aug 89 p 8

[Excerpts] Paraguayan President General Andres Rodriguez returned home last night and resumed his duties after participating in another very important event under this auspicious "new Paraguay." This was his second official mission abroad. Gen Rodriguez and his wife, Mrs Nelida Reig, went to La Paz where they participated in the main ceremonies of the power transfer by constitutional President Dr Victor Paz Estenssoro to Jaime Paz Zamora. [passage omitted]

The most outstanding result of the straightforward talks with President Paz Estenssoro and Paz Zamora is the fact that Paz Estenssoro and Paz Zamora agreed to point out that, in their opinion, the Paraguayan president was "the most important" guest among Argentine President Carlos Saul Menem, Brazilian President Jose Sarney, Bolivian President Jaime Paz Zamora [as published], Peruvian President Alan Garcia, and Panamanian President Manuel Solis Palma. [passage omitted]

Peru

Garcia Discusses Renegotiation of Foreign Debt

PY0408145089 Lima Television Peruana in Spanish 0100 GMT 4 Aug 89

[Interview with President Alan Garcia by unidentified reporters; date, place not given—recorded, broadcast in progress]

[Excerpts] [Passage omitted] [Garcia] The third issue brought up during the state council meeting was the appointment of presidential advisor Abel Salinas to negotiate the Peruvian foreign debt. We believe that the situation is changing. Thanks to the struggle started by Peru 4 years ago, the creditors now admit that the foreign debts are not worth their nominal value, that they are worth much less, and they are now beginning to reduce the debts. Mexico is the first example, but we do not believe that this is enough. Other countries' debts might be reduced under better terms. We believe that our country—the first to adopt a firm, doctrinal attitude regarding the foreign debt problem—must also admit that conditions are beginning to change, must request that its debt be reduced, and must start negotiating with international organizations and the commercial banking sector. For this we must choose one political-level representative to go before the governments and the banking consortiums. Therefore, today we appointed Abel Salinas as our negotiator. He will be in charge of carrying out these political negotiations and will sound out the opinions of our creditors to see what they have to offer Peru for us to be able to positively renew relations with international financial sectors.

[Reporter] Will he hear offers, or will he make an offer on Peru's behalf?

[Garcia] I think that the most sensible, realistic, and convenient approach is for us to make our proposal. We believe that no Latin American country can pay back its entire debt. It has already been agreed that the Mexican commercial debt will be reduced or can be reduced by 35 percent. Very well; we are going to propose an even greater reduction. We are certain that we will reach a very agreeable solution through talks, negotiations, a realistic approach, and the time that may elapse. We have not struggled in vain during the past 4 years. We have helped other countries with our efforts, and we are certain that we will have also contributed to the future of Peru by obtaining a substantial reduction of the debt by the end of the negotiations.

[Reporter] You mentioned a reduction of up to 50 percent. Do you think it is feasible to reduce it by that much?

[Garcia] I believe the reduction is inevitable as well as possible. As time goes by and the debt grows due to its theoretical interest, the countries become more impoverished and less able to pay back the loans. A debt that nobody can pay back is a debt that nobody can collect. Let us reach an agreement over the real value of the debt. This is what is known as market economy. [passage omitted]

We saw today that the Mexican commercial debt, which is half of that country's total debt, might be reduced by 35 percent. A road is open here; the situation is becoming more flexible. What before seemed to be heresy will slowly become a dogma, a commandment. So I am convinced that the reduction of the debt is inevitable, and we have to ask for whatever the country needs. If the debt can be reduced by 70 percent, it will be much better. Thus, of the $16 billion, we will in the future have to pay only 30 percent, and this over a lengthy period of time. This would be very convenient for Peru and this is what we must ask for, because we have struggled for this.

[Reporter] Would we specifically ask for the debt to be reduced by 50 percent?

[Garcia] I believe that this is our first working proposal, but I don't want to anticipate what Mr Abel Salinas will propose. His proposal will be made known to all Peruvians through the press.

[Reporter] But will a payment of (?15 percent) of the debt be maintained, Sir?

[Garcia] I believe that this proposal has saved foreign exchange and prevented any further impoverishment of the nation. Thanks to our determination to limit payments to 10 percent of our export earnings, we managed to capitalize the country and grow rapidly. We are replenishing our foreign reserves. Had we done what other Latin American countries did—paid out all of our export earnings— we would have only $300 million in foreign reserves, like we had a year ago, instead of the $1.2 billion we now have.

[Reporter] Will the proposals be made to all international financial organizations, or only to the World Bank?

[Garcia] The first thing that we must do is make a proposal to the commercial banks, which might have problems. It is not only the debtor who has problems. The banks also have problems, because they know that they have debts in their books that cannot be collected. Remember this: Latin America grows at the rate of one percent a year, but pays out five percent of its production a year. This means that Latin America becomes poorer all the time, but its debt grows because the interest on it grows. So, the debt is unpayable. We have to make a realistic proposal to the commercial banking systems, which is represented by private agents. We must tell the banks that, under the present conditions, we will never be able to pay. But we are not interested in playing possum; we want to pay as much as possible, to the extent that the country is allowed to grow in the next 10 or 20 years. Then both the creditor and the debtor come out ahead. The debtor can pay back, and the creditor can lend again. I believe that the private commercial banks should be the first to hear the Peruvian proposal. Also, friendly governments—the Italian, French, and Spanish—have made promises and offers that half or 35 percent of the debt can be forgiven. We are therefore going to make this proposal. The objective is to reduce the debt—if possible, to half or more than half—and to pay the remainder over a longer period of time, provided that Peru's inflow of resources is positive. We are striking an agreement: You can now lend me some resources for productive investments that the country needs. [passage omitted]

President Returns From Zamora Inauguration
PY0708151289 Lima Television Peruana in Spanish 1300 GMT 7 Aug 89

[Text] President Alan Garcia last night returned to Peru after attending the inauguration of Bolivian President Jaime Paz Zamora. On the last day of his official visit to Bolivia, President Garcia met with the Argentine, Bolivian, Brazilian, Paraguayan, and Uruguayan presidents to analyze several issues regarding Latin American integration. The Peruvian president then attended a solemn congressional session during which Jaime Paz Zamora was sworn in. President Garcia was welcomed with an ovation from Bolivian congressmen.

Parties Leave IU Front; Split Appears 'Final'
PY0508160889 Madrid EFE in Spanish 0323 GMT 5 Aug 89

[Text] Lima, 4 Aug (EFE)—Javier Diez Canseco, leader of the Mariateguist Unified Party (PUM), said in Lima today that the split in the United Left [IU] front of Peru appears to be final with barely 3 months left until municipal and regional elections scheduled for 12 November 1989.

Following a 2-day meeting, three of the radical parties included in the "IU" front—the PUM, the Student-Peasant-Worker Popular Front (FOCEP), and the National Union of the Revolutionary Left (UNIR) yesterday announced the end of negotiations to restore unity.

Meanwhile, the Socialist Accord [Acuerdo Socialista] sector—which rejects the radicalism of the aforementioned parties—registered last Thursday [3 August] at the National Electoral Court as a "movement."

During the 2-day meeting, the radical-left parties criticized the performance of the IU's outgoing rotational president [president colegiado], Senator Jorge del Prado, secretary general of the Peruvian Communist Party, who did his utmost to prevent a split of the leftist front.

PUM leader Senator Javier Diez Canseco told the press today that the registration of the Socialist Accord at the National Electoral Court marked the "final" split of the front.

Diez Canseco said that the radical sector would not accept the candidacy of Alfonso Barrantes, former mayor of Lima and former IU president, unless Barrantes participated in the front's internal elections.

In response, the radical sector has put forth Deputy Agustin Haya de la Torre as a presidential candidate.

Beginning in 1980, Barrantes painstakingly constructed the unification of the leftist parties in Peru to form the IU front, which combined radical and moderate trends.

Barrantes was also Lima's first Marxist mayor. He resigned as IU president to "become a simple party member." He apparently did this, however, with the goal of running in the presidential elections.

In the 1985 election, the ruling American Popular Revolutionary Alliance (APRA) and the "IU" front received 75 percent of the votes, while the center and right sectors were wiped out of the Peruvian political arena.

The Peruvian electorate clearly voted for the left because the "APRA" describes itself as a democratic-left party.

Today, however, the electoral choices have changed. The substantial erosion of the "APRA" and the split in the left seem to favor the center-right Democratic Front, whose presidential candidate is writer Mario Vargas Llosa. The Democratic Front, however, is not free of internal conflicts and contradictions either.

Air Force Helicopter Crashes in San Martin

PY0408185789 Lima EL COMERCIO in Spanish 28 Jul 89 p 1

[Text] Chiclayo—A FAP [Peruvian Air Force] armed helicopter, assigned to counterinsurgency operations in San Martin Department, caught fire and exploded in the air over Olmos this afternoon. According to reports, the helicopter carried a crew of three.

The Soviet-made Mi-17 helicopter was operating in Tocache and Uchiza.

The report says that the three members of the crew included the pilot, the copilot, and the mechanic. They were all FAP officers, and they have not been identified yet.

The accident occurred shortly after noon near Olmos, some 200 km northeast of Chiclayo, Lambayeque Province.

The helicopter was flying to the Chiclayo Air Force base from where it was scheduled to have flown to Lima to participate in the 29 July military parade.

The helicopter was based at the Vitor Air Force base in Arequipa, but it had been assigned to support antiterrorist operations in San Martin Department.

Three Children Injured in Bomb Explosion

PY0408191289 Lima LA REPUBLICA in Spanish 31 Jul 89 p 16

[Excerpts] A bomb left by a terrorist next to a trash can on km-22 of the North Panamerican Highway blew up suddenly as two children and a teenager touched it yesterday around noon. The three were seriously injured. [passage omitted]

The violent explosion practically tore apart the faces of Ricardo Pampa Manrique, 7, and his brother Max, 5, and the stomach of Patricio Villafranca, 17, a cousin of the children who was looking after them.

The explosion took place at noon in front of the childrens' home at Eulogio Fernandini Street, Block BBB, plot 29, Pro District, near km-22 of the North Panamerican Highway. This is the home of businessman Maximo Pampa Nashca, his wife Isabel Manrique, their children, and other relatives. [passage omitted]

The police have not ruled out the possibility that the incident was the result of a terrorist attempt to get money from the businessman. This idea has not been confirmed, but it is considered a clue.

Members of the Sol de Oro Police collected the bomb fragments after the explosion.

The bomb was homemade: dynamite placed inside two milk cans. It had a 30-cm fuse with a detonator on one end of three match sticks. According to a policeman, this type of homemade bomb is commonly used by Shining Path members. [passage omitted]

Car Bomb Explodes in Lima; 4 Killed in Junin

PY0408175289 Madrid EFE in Spanish 1521 GMT 4 Aug 89

[Text] Lima, 4 Aug (EFE)—The police reported today that a car bomb exploded near the Interior Ministry building in the Peruvian capital, but the explosive charge inside it did not fully go off.

The bomb, which was placed inside a small van parked on 20th Street of the CORPAC [Corporation for Airports and Commercial Aviation] urban development project in the San Isidro residential district of Lima, exploded last night about 100 meters from the Interior Ministry building. The explosion caused only minor damage to houses near the explosion site.

After defusing four dynamite charges that did not explode, the police attributed the bombing to the Tupac Amaru Revolutionary Movement (MRTA).

Also, according to reports received in Lima today a policeman and three political leaders were killed yesterday in Junin Department in the Central Peruvian mountain range.

Nine alleged members of the terrorist Shining Path guerrilla organization boarded a train linking Huancavelica with Huancayo in the town of Retama and killed National Police Sergeant Victor Serpa with three shots.

According to police sources, Shining Path terrorists killed the governor, the deputy governor, and another government official in the town of Ricran, 75 km northwest of Huancayo, the capital of Junin Department. The officials' names, however, were not disclosed.

Police Report Arrest of 29 Terrorists

PY0508034889 Lima Television Peruana in Spanish 0200 GMT 5 Aug 89

[Excerpt] A severe blow has been dealt to the Shining Path terrorist organization in Lima. In their tireless struggle against subversion, the police today presented to the press 29 Shining Path members who were arrested in different operations. The terrorists were presented at the

Dircote [Antiterrorist Directorate] facilities. Interior Minister Agustin Mantilla has said that with these arrests the police have dismantled a major Shining Path network. [passage omitted]

*** APRA Deputy on Alva's Candidacy, Other Issues**
33480235b Lima EQUIS X in Spanish
26 Jun 89 pp 26-28

[Interview with APRA Deputy Jose Barba Caballero by Juan Carlos Torres; date and place not given]

[Text] APRA [American Popular Revolutionary Alliance] continues to be the party of masses and holds 25 percent of the vote, claimed Deputy Jose Barba Caballero, who thinks that the situation in the country is changing now, and that there are signs that a recovery will soon occur. These are his statements:

[EQUIS X]: After the proclamation of Luis Alva Castro, what must your party do to win the next elections?

[Barba Caballero]: With Dr Luis Alva Castro's candidacy for the 1990 general elections confirmed, after having received the support of the majority of the party's members, all that we have to do is strive to enable APRA to successfully maintain the high position that it has won for itself. Let's not deceive ourselves: the economic crisis, inflation, and the economic disaster that we have been experiencing since last September will have an influence when it is time to cast votes. However, we trust that APRA will maintain its traditional percentage of votes, and possibly increase it.

[EQUIS X]: Do you believe that the present situation will improve appreciably with Dr Luis Alberto Sanchez as president of the Ministerial Cabinet?

[Barba Caballero]: I have no doubt, because Dr Sanchez is our best letter of introduction; he is a respectable man, an intellectual of renowned international prestige, and a politician with vast experience, and he has managed to form a ministerial cabinet that successfully passed its trial by fire in the Congress. We are confident that the economy minister, who has been acting very cautiously, making no mistakes, will succeed in reactivating the economy. To do this, however, it will be necessary for him to have support from all sectors, from both business owners and workers. One person alone cannot extricate the country from the hole that it is in.

[EQUIS X]: How would you characterize the candidate of the right, or the presumed candidates of United Left [IU]?

[Barba Caballero]: Fredemo's [Democratic Front] candidate is an author dabbling in politics, who lacks experience and who is still too unseasoned to be president of the Republic. He still has a lot to learn, and it is not a matter of running a campaign costing millions. The people will not let themselves be deceived. As for IU, well, it is divided and so it has lost the opportunity to achieve a good position in the general elections. Nevertheless, I'm convinced that, in the end, when the time comes, IU will be united against the right.

[EQUIS X]: There are some who talk about the possibility of a military coup. Do you think that it's possible? What should be done to prevent it?

[Barba Caballero]: The threat of a coup can never be underestimated, but the conditions have changed completely. The Army now has a greater sense of responsibility and realizes that its mission is to safeguard the country's integrity. But we cannot preclude the possibility that someone might show up there wanting to seize power by force. However, we already know what would happen. In the first place, there would be general repudiation from everyone, and the international financial agencies would refuse him any type of aid. But we must always be alert to guard against what might happen, although we know that the Armed Forces are dedicated to the battle against terrorism and, furthermore, there are no conditions enabling them to think of seizing the government. We trust that President Garcia will be able to finish his term, and that there will be no occurrence such as that in Argentina, where President Raul Alfonsin has been forced to cut short his term, overwhelmed by the economic crisis and perhaps the threat of a military coup.

[EQUIS X]: What assessment would you make of the nearly 4 years of Aprista government?

[Barba Caballero]: President Garcia attempted to make deep-seated reforms in the country, but he didn't count on the mobilization of powerful interests that would not allow him to achieve a victory with democracy. To be sure, he made many mistakes, one of which was the nationalization of banks and insisting on this measure, despite strong opposition. But I don't think that the Aprista government has failed; what happened was that they didn't allow it to work. Those who claim that the Aprista government has failed are showing their fear of losing the coming elections. But I'm convinced that, with the recent economic measures, the country's situation will improve and, at the end of the government's administration, the assessment will be balanced.

[EQUIS X]: You recently stated that you were coauthor of an antisubversive plan. What are your concrete proposals for putting an end to subversion?

[Barba Caballero]: In fact, we have prepared an antisubversive plan in the Chamber with proposals that we consider pertinent for the purpose of ending this scourge that has caused the country so much harm. We think that the rebels must subject themselves to the laws and the Constitution, and that it is only in the legal context that a dialogue with the subversives can be considered. I don't regard it as wise to give arms to the people to maintain internal order, because that is an authority

given to the Armed Forces. I believe that the population should become organized and defend itself, but to give them weapons would be very dangerous. In the antisubversion bill we state that, in addition to the political decision, a diagnosis of this phenomenon is necessary, from a political, social, economic, and psychological standpoint, while at the same time a program is devised involving the mobilization of all sectors committed to this unrelenting battle.

[EQUIS X]: What do you think of the misnamed "Rodrigo Franco Commando Group"? Who do you think are its instigators and members?

[Barba Caballero]: It's another terrorist group consisting of common criminals who have joined Sendero Luminoso [Shining Path] and MRTA [Tupac Amaru Revolutionary Movement] in this fratricidal war that is agitating the country. The press has undertaken to depict the "Rodrigo Franco" commando group as a right-wing group that has taken justice into its own hands, but, where subversion is concerned, we can make no distinctions. They are all deranged people, with their consciousness raised to do the greatest possible harm, and the only solution left to the government is to suppress them head-on.

[EQUIS X]: What do you propose to overcome hyperinflation and the economic crisis?

[Barba Caballero]: The government is providing the economic measures, but I think that what should be sought is reactivation of production, a slowdown in prices, and better wages given to the workers so that they will have purchasing power, as well as a halt to the inflation and hyperinflation that are the greatest problem for everyone. The first steps are already being taken, and I trust that the situation will improve gradually, although, as usual, there will be no lack of opponents and of those who engage only in criticizing everything that is done.

[EQUIS X]: Who is your candidate for the presidency of the Chamber of Deputies? Why?

[Barba Caballero]: I have no preferences, because, ultimately, it is the Congressional Cell that will decide who is to head the junior chamber in the end. But I am inclined in favor of Fernando Leon de Vivero, because he is a politician with a great deal of ability for achieving, and cleverness for getting out of any difficult situation that might arise.

[EQUIS X]: Will you run for reelection as a deputy, or do you prefer a Senate seat?

[Barba Caballero]: That doesn't concern me yet. I think that we still have a great deal to do during this last stretch of government. For the present, APRA, with its secretary general Alva Castro heading it, will be engaged in the municipal elections, and then we shall see about the general elections.

[EQUIS X]: In your view, what security measures should be adopted to protect congress members against terrorist attacks of any kind?

[Barba Caballero]: There is a bill in the Chamber of Deputies to facilitate the purchase of weapons by congress members, but it is at the discretion of each one whether to purchase them. Unquestionably, however, congress members, like any other citizens wishing to carry arms, need a license to bear them, and must be subject to the law. It's not easy to engage in politics in Peru at present, and it has a price. That price has to be confronted. What has not succeeded is the purchase of bullet-proof vests and submachine guns, because it would not be fitting to go about armed in that way, and it would entail many problems.

[Box, p 28] Critic and Optimist

A deputy and member of APRA's Political Commission, Jose Barba Caballero claims that his party's option in the next elections is subordinate to the action being taken on the government level. And, in this respect, he deems it important to reestablish an alliance with business owners and to pass a new Banking Law, repealing the Law for Nationalization of Banks.

A critic of the president of the Republic, Barba Caballero has distinguished himself by saying what he thinks and warning of what might happen. Often, this has not made a good impression on the members of his party, for example, when he charged that many public offices were occupied by "Alan's friends," and not by Apristas with a proven party career.

Commenting on a banking law, he maintains that it could represent a restoration of the citizens' confidence, reflecting the importance of the business sector's participation in the country's reactivation during this final stretch of the Aprista government.

As for APRA's chances in the next elections, he noted that there is still time for the government to recover credibility, and that APRA could return to power in a run-off election. He remarked that, nevertheless, a great deal depends on the government's actions, on what President Alan Garcia does and orders, and especially on the confidence in and the work done by the president of the Council of Ministers, Luis Alberto Sanchez.

Uruguay

Interior Minister Rules Out Social Upheaval

PY0708131089 Montevideo LA HORA POPULAR in Spanish 29 Jul 89 p 4

[Excerpt] Newly appointed Interior Minister Francisco Forteza has ruled out the possibility of a social upheaval like the one that is going on in Argentina or like the one that occurred in Brazil some time ago.

SEPREDI (presidential information service), [Servicio de Presidencia de Informacion] which is the official news agency, disseminated these remarks, which Forteza made shortly after being sworn in. [passage omitted]

Government Deficit Reported at 13.9 Percent

PY0408015089 Montevideo EL DIA in Spanish 29 Jul 89 p 11

[Summary] According to information obtained by EL DIA from official sources, the central government's deficit amounted to 13.92 percent on expenditures of 375,092,300,000 new pesos during the first 6 months of this year.

Venezuela

* Delpino on Firing Freeze, Other Issues

33480237a Caracas EL NACIONAL in Spanish 7 Jul 89 p D 1

[Article by Ludmila Vinogradoff]

[Text] Juan Jose Delpino's departure as president of the Confederation of Venezuelan Workers (CTV) does not mean that he is retiring or moving onto the sidelines; quite the contrary. It means that he will remain active and even more vigorous, but in other spheres, such as the leadership of his party Democratic Action (AD).

Perhaps the most important thing about his statement to the press was not the announcement that he is resigning as president of the CTV, as that was already public knowledge; rather, it was the news of his new plan, that of returning to political activism in AD. He is a member of the National Executive Committee (CEN) and the trade union bureau of that party. And it is precisely there that he wants to wage new battles. It remains to be seen whether he will be able to maintain the autonomy he enjoyed in the top labor organization.

Upon returning from Geneva, where he had to endure temperatures of 42 degrees centigrade, higher than in Maracaibo, he could not resist the temptation of speaking to the crowd of journalists who trooped to his air-conditioned office in the new CTV building.

His answer to the first question, regarding whether he planned to attend the meetings to decide on the extension of the firing freeze provision, was the following:

"What is on the agenda is my departure from the CTV, and we have not yet decided on what day the executive committee of the organization will meet. I will ask them for an indefinite leave, and on that same day, the committee will name someone to serve out my term, which ends in May or June of next year."

Juan Jose Delpino has become famous for his rebelliousness among the leaders of AD. Sometimes he has been accused of opposing the government more forcefully than the opposition itself. He confessed that he had announced his decision to leave the CTV 2 years earlier, when he said that a year or so before the end of his term he would step down as leader of the organization.

When he was asked the reason for his decision, he said: "I am at the age of retirement. If I were to stay, I could not make way for younger, more youthful leaders, and I wanted to prove that you can't die with your boots on."

The journalists were not satisfied with the simple explanation that he wanted to make way for new generations, as his future replacement, Antonio Rios, is not exactly a stripling. So when they inquired about the real reason, he responded that he was leaving the CTV because he wanted to return to political activism in AD. He said he would have nothing to do with sitting at home and resting, because no one would believe he could do it, even though he has reached retirement age.

Next Thursday or Friday the CTV executive committee is scheduled to meet. There he will formally ask permission to retire, and then his replacement will be named. The party has decided that his successor will be the current national secretary of AD for trade unions.

Extension of the Firing Freeze

He was asked his opinion of the national agreement for reconciliation that was signed during his absence, but Delpino could not make a statement because he was not familiar with the agreement, and he had just been given the document to read.

Nevertheless, he said in general terms that he believes the reconciliation agreement "does not have any great or substantive features."

"It does appear, however, that the trade union movement has a fight on its hands. The CTV faces a real fight because there are threats to lay off workers. The problem is very serious, and the CTV has to bring all its weapons to bear in fighting it."

In response to a comment that the firing freeze decree expires on the 12th of this month, Delpino pointed out that "work is being done with that in mind, to continue the meetings to reach an agreement that satisfies the workers."

He acknowledged that management has shown resistance to approving the extension of the firing freeze, and admitted that the government believes management is somewhat justified in regarding the decree as a strait jacket. But "the labor movement and the unions have an obligation to protect the workers." He warned that if there were no protection, 240,000 workers would be laid off in Venezuela, following a similar trend in Asia.

The press reminded him that President Perez has told labor leaders that they must play fair in Venezuela, to which Delpino replied:

"Playing fair is a phrase that is in vogue these days. We would remind President Perez that he must play fair with us as well. It is imperative that we think of extending the firing freeze. If there is no extension beyond the 12th, the workers will be at the mercy of management, and there will be lay-offs. Some measure must be taken to protect the workers."

He was asked whether new work stoppages might occur if the two sides cannot reach agreement. Delpino reminded the press, "During the stoppage of the 18th of last month, I said there would be many more. The situation is difficult. The workers will take up the weapons that the law gives them in order to survive. There is no doubt that there could be new work stoppages, for that reason (the firing freeze issue) and others. The indications are not that the crisis will be resolved, but that it will be exacerbated. If there is a work stoppage to extend the firing freeze, that will be social warfare."

If such extremes are not reached, however, Delpino pointed to the option of presenting demands: "The unions must look for ways to avoid being at the mercy of management." To find a peaceful solution, he emphasized, management and the government must realize how important it is to extend the firing freeze for the workers.

Regarding the bill to reform the Labor Act, he cited the need to pass the law this year, this legislative term, by next October when school vacation is over.

He also commented on the walk-outs staged by doctors and court personnel, noting that the courts have been on strike for 3 years. He said that the doctors will meet with the CTV today.

* Figueredo on Foreign Debt, Other Issues

33480237b Caracas EL NACIONAL in Spanish
25 Jun 89 p D 2

[EL NACIONAL interview with Reinaldo Figueredo, Minister of the Secretariat of the Presidency, by correspondent Alfredo Pena; date, place not given]

[Text] [EL NACIONAL] You are not unaware of everything that is said in private, and sometimes in public, about your situation with respect to the president and his government. There are those who claim that you came to the government with tremendous power and decided to "throw the game."

[Figueredo] We have only been in office for 4 months, and the times have been unusual because of the way we started out and because of the policy that is being implemented. I don't know who said I "threw the game," but at any rate, the one who can assess and evaluate my performance is the president of the Republic. The chief executive of the nation is the one who should decide whether my contribution—which has been greater politically than economically—has been useful enough to justify my staying on in this office or any other he should decide upon. I am not given to speculating about individual performances, especially not my own. What I do want to stress is that I have never minced words when I have felt it necessary to express my opinion to the chief executive, as I have done throughout my 15-year association with him.

[EL NACIONAL] Your critics say that you are not fulfilling the function of coordinator of the Cabinet, that you tend to leave Council of Ministers meetings early, and that you pretend not to know your specific obligations.

[Figueredo] The specific functions of the minister of the Secretariat of the Presidency are dictated by the chief executive, independently of any other administrative functions. I have strictly carried out the tasks assigned to me by the chief of state. I have traveled on missions assigned to me by the president.

[EL NACIONAL] As a concrete example of the alleged impasse between you and the president of the Republic, those who see things in this light have cited the case of a disagreement that arose at the Council of Ministers when you labeled the economic program neoliberal, and the president replied with a warning that he would not tolerate insults.

[Figueredo] If there really were an impasse between the president of the republic and his closest aide, the minister of the presidency, that aide would no longer be at the side of the chief of state. I think that I should express my opinion to the president at all times, even if it does not coincide with that of another minister or even a group of ministers. Some of the aides to the Cabinet gave the press distorted versions of what happened when the president asked for an analysis of the elements of the economic program his government was to adopt after the crisis of 27 and 28 February. I have no reason to hide the fact that I expressed some views, qualified views, not on the specific orientation of that policy but on the way it was being discussed. The president of the Republic, after a long deliberation, submitted the matter for approval and everyone, including myself, supported the program that is now being executed. But it should be made clear that no one can insult the president. Insult is something that requires a perverse human condition, and I absolutely do not have those characteristics. In addition, it requires a certain amount of hostility, and that is out of the question in this case.

[EL NACIONAL] So why did the president say that, if he knows you do not have those characteristics?

[Figueredo] I go by the same standard as the president: I do not discuss in public matters that are dealt with in private or confidential meetings. I understand that you, as a journalist, have an obligation to report what has been revealed as a result of "leaks" by some of the participants in those meetings. I will not deny them, but neither will I deign to confirm whether or not the statements were made in this or that context.

[EL NACIONAL] You say that you do not express criticism in public, but in front of the National Political Committee (CPN), which is made up of more than 100 Democratic Action (AD) leaders from all over the country, you also said that the economic program of President Perez' government was neoliberal.
[Figueredo] The program's orientation clearly goes along with what is advocated by the IMF and the World Bank. And without a doubt, it is aimed at giving the market forces a much more important role than they formerly had here. From that standpoint, it is essentially neoliberal-inspired. But that is not to deny—and I am not denying—the extent of the adjustments that are being made in the Venezuelan economy. Indeed, I am part of the government that is carrying them out. In Venezuela and abroad, I have expressed the administration's opinions on the economic plan.

[EL NACIONAL] Your critics say that you are preparing an alternative or "contingency" plan in anticipation of the failure of the economic program, and that in that regard you have been talking with Americo Martin, among others....
[Figueredo] I am not preparing any alternative plan because that is not my function in the Secretariat of the Presidency. I am not in any of the Economy Ministries. But I do believe, and I have pointed out, that with any plan, especially one like this that is affected by external variables, it is wise to foresee scenarios in which conditions change and it is necessary to know what to do and what not to do. We cannot stay on a single track without alternative options. The president himself has said so, and I am merely chiming in, and being very explicit in this regard: If credit is not forthcoming within the periods called for in the plan—fortunately, the loans from the IMF and the World Bank have already been approved—and at the same time, if the process of relieving the debt service is not begun, the execution or success of the program may be affected.

Hard-Nosed Banks

[Figueredo] You tend to phrase things differently than the negotiating team, which is always optimistic about the banks' willingness to help us. You warn that the banks are hard-nosed....

[EL NACIONAL] We are all speaking from the same orientation provided by the president of the Republic, but not in the same tone. I stated in my opening address at the Latin American Economic System (SELA) that the commercial banks in general took a hard line against all debtors, including Venezuela, when the Brady Plan was launched. The U.S. Government's position that a significant discount should be given on the debt is not consistent with the banks' behavior. They want other elements of the Brady proposal, such as the multilateral guarantee of the IMF and the World Bank and the amendment of some provisions, to be carried out in a parallel fashion before they will apply this discount. If all of these elements are not present, it is obvious that the creditors would hold out until things became clearer.

[EL NACIONAL] The commercial banks will not provide fresh money without guarantees unless the money is for the payment of interest—in other words, more indebtedness with money that would not even go into circulation in the national economy. And then, don't come crying that they misled you....
[Figueredo] The difference is that this team has concentrated on finding financing in the multilateral international development agencies. According to calculations by the Central Office of Coordination and Planning (Cordiplan), the Central Bank, and the Finance Ministry, a complement will be necessary, that is, the request that has been made of the commercial banks. Overtures have been made to the creditors; the specific step of renegotiating the debt has not begun, but the scope of the economic measures has been explained to them, and soon they will be presented with a menu of options for the reconversion scheme on the basis of the suggestions put forth by the industrialized nations themselves. I think that there is a positive attitude toward Venezuela, albeit not necessarily an accommodating one.

'Conspicuous' Lusinchist

[EL NACIONAL] Your critics—people in the government or the party—some of them prominent Perezists, warn that you have become "the most conspicuous Lusinchist in President Perez' cabinet." Are you operating of your own free will, or are you carrying out instructions from the chief of state? Is that part of a strategy cooked up to "close ranks" in the party in case the "neoliberal" program fails?
[Figueredo] I would venture to guess that some of those critics don't even have party membership cards. They are people who may be contributing to the process, but they don't know how political matters are dealt with in AD. The main thing, however, is that the party understands that the minister of the presidency must help the president and the ruling party at a very complex time for the country, and for the responsibilities of each person in his respective sphere of influence. During the 4 months I have held this office, I have received encouragement from the national leadership of AD.

[EL NACIONAL] The pro-Lusinchism operation that you are pursuing could win you favor among your former rivals while alienating the Perezists....
[Figueredo] In the first place, I reject the categorization of Lusinchist or Perezist, as a cabinet member and as an activist in AD. The government is in the hands of the

Democratic Action Party because it won the elections, and it is everyone's duty to come together to fully carry out the mandate the country gave us.

[EL NACIONAL] But during the campaign you admitted the existence of Perezism and Lusinchism, which were then in dispute....

[Figueredo] During the campaign you and I spoke many times. And before Democratic Action chose Carlos Andres Perez as its presidential candidate, one saw many things that one did not agree with. I was one of the collaborators who did my small part a long time ago to help President Perez win the internal elections and those which culiminated in December 1988. Now I am a cabinet member, and I devote 24 hours a day to unifying the party around the government's objective. If there are those who try to stir up differences, I'm not going to play their game. They aren't even active members of Democratic Action. If they want to play that game, that's their business. I will continue to work for the unity of the party, behind the government program of Carlos Andres Perez, who is president of the Republic.

Freedom of Expression

[EL NACIONAL] Your critics also say that you told Marta Sosa, president of Channel 8, that you disagreed with the decision to give Isa Dobles a program on that state channel....

[Figueredo] I have never expressed any opinion against the presence of Isa Dobles on the program on Channel 8.

[EL NACIONAL] What did you say to Marta Sosa, then?

[Figueredo] If Marta Sosa or those who were present at a meeting at the Miraflores Palace discussed what was said there, they would have to have said that I stated there was no reason to put more fuel on the fire. The affairs of state that are of interest to public opinion are more important than the private lives of two citizens.

[EL NACIONAL] The fact is that Lusinchi, before you spoke with Marta Sosa, became upset and called you about the program Isa Dobles did with Oscar Yanes regarding the freedom of expression and the way the divorce between Gladys de Lusinchi and the then president of the Republic was treated or mistreated. Lusinchi also complained to the president of Channel 8.

[Figueredo] If President Lusinchi turns to the minister of the presidency to lodge a complaint, I will receive it and make it known to President Perez, as is my duty. But I am not a censor, nor do I take any action that would run counter to the objective of informing the general public.

[EL NACIONAL] The whole country knows that Isa Dobles was subject to reprisal during the previous government. The daughter of a founder of Democratic Action (I understand she is a Perezist AD member), she is entitled to claim certain rights, like any Venezuelan, under this new government.

[Figueredo] She has her program on Channel 8. It would be worth asking her if anyone, I for example, directly told her anything about her program.

[EL NACIONAL] You did not speak directly with her, but with Marta Sosa....

[Figueredo] I spoke with Marta Sosa, that is true.

[EL NACIONAL] The nation is very happy to know that the minister of the presidency does not plan to censor or veto anyone....

[Figueredo] The government is determined, as it has shown by its actions, to fully guarantee the exercise of freedom of expression. But it is our duty to ensure that the diatribe is channeled in such a way as to help strengthen the process.

[EL NACIONAL] To be sure, but without detriment to the freedom of expression and the free discussion of ideas.

[Figueredo] I am completely in agreement with you. I have never exercised a veto over anyone, much less impeded or modified the creation or original design of any television program approved by the president of Channel 8 or by any other public or private communication medium. Venezuelan Television has its own directives and makes its own programs. At no time has the president of Venezuelan Television or the director of the Central Information Office (OCI) come to submit a program to me for approval—because that is not the way this government operates, even though the minister of the presidency is the representative of the actions taken by that channel—much less have I said yes to this and no to that. It is not in my nature, and no one could say that I have done that, because it is not true.

[EL NACIONAL] Channel 8 is, de jure, a state-owned station, but de facto it has always been run by a faction or by some high official of the current administration who has done things as he saw fit. The government of President Perez has an opportunity to demonstrate there that it not only preaches but also practices freedom of expression without veto or censorship.

[Figueredo] State television has interests in common with the other television stations in the country, where the principle of information based on ethics, truth, and objectivity also must prevail. A priori vetos cannot be exercised, nor can undue pressure be exerted to slant opinion. That would be doing a disservice to democracy. As minister of the presidency, I will try to respond to all complaints, be they from people in the party, in the opposition, or any Venezuelan. During the crisis of 27 and 28 February, Eduardo Fernandez expressed his points of view to me, and I told him my views on the subject.

Recadi in Negotiations

[EL NACIONAL] Jose Vicente Rangel has noted, in reference to the Perez-Lusinchi meeting, that the National Preferential Exchange Office (Recadi) will be

one of the items on the agenda for negotiating an agreement. Do you think they could go to the extreme of guaranteeing a pardon or impunity to the corrupt pillagers for the sake of reaching an understanding between these two political leaders?
[Figueredo] Jose Vicente Rangel is a politician and an analyst who can be very astute. But President Perez and former President Lusinchi met in private, without witnesses, and as far as I know, they have not revealed to anyone what they discussed. Anything that is said about that meeting is pure speculation. I reject any imputations about the pillaging of the Republic in the context of that conversation...President Lusinchi has said that if the courts determine who was responsible, each person will have to answer to the charges. I believe that is President Perez' judgment as well. The chief of state will not lift a finger to help anyone who has been found guilty by the courts of law. You must recall that Carlos Andres Perez has always behaved this way. I am and will continue to be firmly behind President Perez' actions; I am a friend of former President Lusinchi and I respect him.

[EL NACIONAL] The "speculation" arises because the suspects in the case before the Superior Court for the Protection of Public Assets are former government officials, in some cases very high-ranking officials of the Lusinchi administration, and he will certainly try to defend them.
[Figueredo] It is perfectly legitimate to speculate about the greatest scandal of a presidential term. A huge circus has been staged. As the old saying goes, "Where there's smoke, there's fire." But it is the responsibility of the court to determine what the fire actually is. All Venezuelans should hope for justice to be done. I am certain that that is the approach that President Perez and former President Lusinchi will take.

* Caldera Discusses Labor Law Controversy

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[EL NACIONAL interview with Rafael Caldera, author of Labor Law proposal, by correspondent Alfredo Pena; date, place not given]

[Text] [EL NACIONAL] In the last few days a number of advertisements have been published warning that your Labor Law bill would lead us directly to the criticial situation Argentina is enduring today....

[Caldera] Anonymous advertisements. An irresponsible and stupid campaign that was aimed at scaring everyone with the idea that the Organic Labor Law will destroy the economy, foreign investment, everything. Despite my efforts to find out who paid for those full-page ads in the newspapers, I have been unsuccessful. They have tried to portray me as a demagogue, an irresponsible person who is determined to destroy the economy. On Thursday I participated in a forum at the Venezuelan-American Association. I told them they could find out from unimpeachable and irreproachable sources that during my presidential term the situation was better than in any other recent period, and of course we did not have the extraordinary resources that came later from the oil industry. Here is the text of the Roraima Project, people with whom I have no political or economic ties. It says: "Perhaps the most striking and significant aspect is that, no matter how it is measured, the economy performed better during the 1964-73 period (precisely coinciding with Leoni's and my terms) than during the oil boom." For reasons that can be fully explained, the figures from my administration were better than those of Raul Leoni's. The Roraima Project itself says: "During the 6 years prior to the onset of the oil boom, employment rose at an annual rate of 4.6 percent; during the initial years of the boom (1974-78), it rose by an annual average of just 3.7 percent, that is, four-fifths of the previous rate. And from 1979 to 1982, employment grew even more slowly, at just 2.8 percent a year, only 60 percent of the rate seen before 1974. Finally, in 1983, total employment shrank." I am saying this because going to the extreme of calling someone a demagogue is the ultimate in bad faith and bad will.

[EL NACIONAL] Your critics say that the bill is frightening or scaring off foreign investors.

[Caldera] The bill does not entail any wage increases, and the compensation it provides for is simply that contained in the Law on Unjustified Discharges, and I hope it will be replaced by the payment of an annual premium. But as far as wages are concerned, the bill calls for the famous decrees that the administration issues, upon prior consultation with the Venezuelan Federation of Associations and Chambers of Commerce and Industry (Fedecamaras), the Confederation of Venezuelan Workers (CTV), the National Economic Council, and the Central Bank of Venezuela. In the Venezuela of today, everything has become dollarized. And wages, which I do not want to become dollarized, are well below those prevailing in any developed country, and are at the same level as those of countries at an equal stage of development, such as Mexico and Colombia. Actually, wage indexing in the south is not the cause of inflation, it is a consequence of it. No one can say that inflation was unleashed in Argentina or in Brazil because wages rose. The fact is that they had to increase wages because people were starving to death with the high rates of inflation. What has created alarm among foreign investors is this entire process of the National Preferential Exchange Office (Recadi), which is so painful and complicated. The mass media tend to interpret the situation as one in which the representatives of those foreign interests are singled out for retribution, with some being prohibited from leaving the country and others being subject to arrest warrants. I can't comment on those measures because I don't know the background, but they are leading to a rising and contagious panic among the managers and executives of foreign companies.

Indexing

[EL NACIONAL] Is it true that the bill provides for indexing?

[Caldera] It does not provide for any indexing. What it does say, as a declaration of principles, is that wages must keep pace with the cost of living. This is a traditional principle that is fundamental in papal doctrine. Wages are to guarantee a decent existence for the worker and his family. In response to disproportionate increases in the cost of living, wages should be adjusted, preferably through collective bargaining, or as a last resort by executive decree upon consultation with the interested parties, as I stated earlier. The minister of the Office of Coordination and Planning (Cordiplan), a nice, bright young man, stated that he had not read the bill, but that if it contained a provision for indexing it would be tragic and ruinous. He made two mistakes: 1) On one of his trips in search of fresh money he should have taken the opportunity to read it. 2) He should not have criticized it without being familiar with it, because the words he uttered were treated as a TV sound bite, and were repeated in all the news broadcasts and programs. The Fedecamaras said a thousand times that the problem of wages should be resolved through collective bargaining, and in the bill we have adopted that point of view.

Pregnant Women

[EL NACIONAL] Another highly controversial article is the one regarding pregnant women. They say that this may boomerang, because employers will not want to hire women....

[Caldera] That was discussed thoroughly, and representatives of all political groups participated. On more than one occasion I pointed out that we needed to be careful because overprotection could become a factor in discrimination against women on the labor market. Everything has been seriously misinterpreted; the fact is that the maternity leave was extended by 2 weeks to meet international standards, but it is paid for by Mandatory Social Security. As for the job security of the expectant or recently delivered mother, this does not mean that she can do whatever she feels like or draw her pay without working; it just means that she cannot be fired without good cause. Under the present situation, with the job security measures I introduced in 1973 in the Regulations of the Labor Law, abuses have been committed. Rosita Caldera has cited a number of cases, and she has been at the forefront of these battles. I admit that some of these things can be modified.

[EL NACIONAL] The bill, say its critics, allows for an increase in remuneration if productivity has been enhanced by technological progress, but declines in productivity do not reduce remuneration.

[Caldera] The article does not establish rates; it doesn't specify any amount. It would be a standard aimed at boosting productivity. I have been hearing business spokesmen and liberal economists saying for years that what Venezuela needs is increased productivity. We tried to stimulate productivity through one of the factors of production, which is labor. The facts indicate that technological progress does not reduce remuneration. When businesses replaced typesetters with word processors, the new personnel were better paid than the old personnel. I can't go along with this business of lowering the workers' remuneration if productivity drops. When productivity falls, the good manager finds out why, and if it really is the worker's fault, the manager has sanctions available to him.

[EL NACIONAL] What's this about hospitals for firms with more than 1,000 employees?

[Caldera] Actually what the bill does is relax the requirements of the current Labor Law. We put 1,000 employees instead of 300, as the law now says; whether or not the law is actually enforced is another matter. We have targeted businesses that are located more than 50 km from the nearest town where there are medical facilities; the present law says 10 km. Nevertheless, this article is not engraved in stone, and people are willing to amend it. I think this obligation can be taken care of simply by joining Social Security.

[EL NACIONAL] Other bones of contention in the bill include increasing from one to two the number of labor directors in the public sector, giving them the same advantages as other workers, and providing for enterprises transferred from the public to the private sector to be governed by the same standards.

[Caldera] In my draft of the bill, the modifications I introduced were the following: 1) the labor representations should be taken to all the enterprises of the public sector; 2) the representatives should be employees of the institute or enterprise in question, with at least 5 years' seniority; and 3) the private companies that introduced the principle of employee representation in a similar manner would receive special protection from the state in credit, aid, and development programs. But some new developments came up in committee. The trade union delegates, with the support of the majority party, asked that the latter article be excised because they intend to introduce co-management legislation. And as for the number of delegates, two were taken because in some institutes, such as Social Security, it is not known whether the workers' delegate represents the interests of the workers in general or just those who are employed by the institute. It was even suggested that one of the two should be elected by the employees of the enterprise, but that idea was rejected by the majority party. The suggestion could be reconsidered, however, given the new composition of Congress. The spokesman for the CTV on the committee proposed that private firms that receive most of their financing from the state should also have this labor representation. I noted that I was not opposed as a matter of principle, but in practice it would be difficult to make this work. There are some unique interpretations; the president of the Banking Association claims that all banks would be included because they receive loans or rediscounts from the Central Bank. That strikes me as a little far-fetched. But this article can be

reconsidered. The other modification that was added—again, despite my reservations—is that the enterprises that are privatized and have worker representation must retain it. The workers believe it would be a step backward if they are left out in the cold because the firm changes owners.

Consultations With the Private Sector

[EL NACIONAL] The discussion of this bill has been going on for nearly 5 years. Wasn't there time to consult the private sector, a key element in production?

[Caldera] Yes, from the first day onward. I have attended countless forums in the private sector. I spoke with directors and former presidents of Fedecamaras, and with many other managers and businessmen. Indeed, one conversation that left a strong impression on me, I must say in all fairness, was the one I had with Gustavo Roosen when he was president of the Caracas Chamber of Commerce. I found him to be an intelligent man who was able to grasp what we were talking about. Not only that, but when the committee was formed, they were invited to come and they did. The president of Fedecamaras attended, and he discussed a number of general issues, nothing very concrete. We asked him to name observers, and they really collaborated with the committee on its work. Now, if people didn't pay attention to them because they opposed everything without suggesting alternatives, that's another story. The first time true alternatives were proposed was when they saw that the bill was approved after the first debate, and the committee chaired by Luis Enrique Oberto admonished them that they should bring concrete proposals. Why is this scandal emerging after 4 years of parliamentary proceedings? They are even claiming that it happened overnight, when the final version of the bill was introduced on 9 August 1988 and 9 months later the first debate in the Chamber began. There is one rumor, and I don't know if it is really true, that an attorney told me when the committee first began processing the bill. President Lusinchi reportedly told the president of Fedecamaras: "Don't worry, this law will never get out of committee." If the rumor is true, that may have been the reason why that man saluted the flag and made a few statements every once in a while, but did not really take an interest in the bill because he was confident that the bill would be abandoned. To think that all of this would be abandoned is to be out of touch with reality and not to know me very well. I introduced a bill so that it would become law; I did not write a poem. I did not put down a lot of pretty ideas just because I felt like it, knowing they would not be approved. I have been determined to see this thing through. When the committee was formed, I even asked that Senator Alejandro Izaguirre, then general secretary of Democratic Action and now interior minister, be made vice chairman so that the government could have some political representation and might even moderate some excesses by the trade union leaders of its own party. I asked for another adviser, and Alberto Aranguren Zamora, labor minister under the Leoni administration, was named. He is a sensible and prudent man, and he helped us a great deal.

[EL NACIONAL] Have you discussed this matter with President Perez?

[Caldera] I don't think it has been necessary to talk to him. I haven't spoken with President Perez in several days, but he made a statement that I found satisfactory when he said that "this bill had to be passed." I am defending what I consider fair. I know my country, I know reality. My conscience obliges me to fight for certain principles, and I am prepared to continue fighting for them. If I am to be vilified, maligned, and attacked in a totally unjustified manner for all this, I accept it with pleasure because I am happy when I am defending what I believe in. I think that the best message a leader of this country can give to the new generations is that they should be true to themselves, to their consciences, and to their principles, because the lack of honesty is what is ruining Venezuela.

The Armed Forces and the Package

[EL NACIONAL] Because you don't want to deal with the issue of the party at this time, let's talk about the rumors, the alleged discontent in the National Armed Forces. Do you think that the stability of the democratic system is in jeopardy?

[Caldera] I have faith in the stability of the democratic system and in the democratic conscience of the officials of the Armed Forces. I have had faith—I don't want it taken away from me—in the social conscience of the Venezuelan business sector as a source of strength for democracy. But I have always said that democracy must be won every day. It's not that mistakes are overlooked, or that all of the deeds that are done to undermine the health, the majesty of the system are not vigorously denounced and censured. But it is necessary to preserve the essence of the system through its integral elements, and one such element, a very important one, is the Armed Forces. I can't deny that there are a number of aspects and circumstances that must be causing concern right now among the highest military officials. The economic package has repercussions for them, too, because they are part of the population and they suffer the consequences of the maxi-inflation caused by the drastic devaluation of the bolivar, the rising interest rates, and the rash deregulation of prices. Moreover, events have taken place that will serve as rallying cries for adventurers who want to run the risk of attempting to disturb the institutional order. Corrupt practices are undoubtedly motives that can be seized by anyone with the perverse desire to provoke destabilization in the

country. The international organizations' praise of the economic system implemented by the dictatorship in Chile may inspire some Pinochet fans to try playing roulette. Fortunately, such attitudes are met with a position of loyalty, affection, and institutional conscience on the part of most officers, who are unwilling to exceed the limitations imposed by the Constitution. Moreover, I believe that it is not appropriate to involve the Armed Forces in the political debate, given the current situation. I believe we are going further than we should, talking about things that might be normal in the United States, with its 200 years of democracy, but not in Venezuela, where for a century democracy was regarded as an exotic species. I think this is a good time—I was going to say there is still time, but I hate to speak in those terms—to reflect on the errors that have been made in all sectors. It is important to rectify those errors so that we can erase from the minds of Venezuelans that idea that flourishes all too easily: that anything could happen here, that a coup may happen, or that what we need is a dictator.

[EL NACIONAL] Do you think the satanic conspiracy you once denounced still exists?

[Caldera] I said that a few years ago. These things can happen. It is very easy to issue documents in the name of groups of officers. Since they are anonymous and no one can verify them, the person receiving them may believe it is a large group, or may think it is insignificant. It is everyone's duty and in everyone's interests to do whatever we can to avoid any worsening of these aspects of national life.